DOCUMENT RESUME

ED 249 022 RC 014 967

TITLE	American Indians--U.S. Indian Policy, Tribes and Reservations, BIA: Past and Present, Economic Development.
INSTITUTION	Bureau of Indian Affairs (Dept. of Interior), Washington, D.C.
PUB DATE	84
NOTE	94p.
AVAILABLE FROM	Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402 ($2.50 ea. Stock No. 024-002-0083-7; discounts available on quantity orders).
PUB TYPE	Reports - Descriptive (141)
EDRS PRICE	MF01/PC04 Plus Postage.
DESCRIPTORS	*Administrative Policy; *Alaska Natives; *American Indian Education; American Indian Reservations; *American Indians; *Economic Development; Elementary Secondary Education; Federal Indian Relationship; Futures (of Society); Government Role; Higher Education; History; Population Trends; Program Implementation; *Self Determination; Services; Tribes
IDENTIFIERS	*Bureau of Indian Affairs; Reagan Administration; Tribal Government

ABSTRACT

Progress has been made since the 1983 announcement of President Reagan's American Indian policy which reaffirmed the government-to-government relationship of Indian tribes with the United States, recognized the primary role of tribal governments in reservation affairs, and called for special efforts to develop reservation economies. The principal objective of the Bureau of Indian Affairs (BIA) is to actively encourage Indian and Alaska Natives in the self-determination of their own affairs. Education is the largest line item in the BIA budget; in fiscal year 1984 the BIA funded 206 education facilities (72 day schools, 49 on-reservation boarding schools, 62 tribally-controlled schools, and 15 dormitories) with an estimated average daily attendance of 43,193. Johnson-O'Malley funds provided supplemental programs for approximately 175,000 public school Indian students in 26 states. Total BIA appropriations for higher education were about $26 million, including grants for the operation of 19 tribally-controlled colleges. In April, 1984, there were 291 federally-recognized tribes and 197 federally-recognized Alaska village communities. The 1980 United States population of 1,418,195 for American Indians, Eskimos, and Aleuts reflected a 71% increase since 1971. Much recent Indian economic development can be credited to the policy of self-determination which has contributed to an Indian entrepreneurial explosion. (BRR)

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American Indians

U.S. Indian Policy
Tribes and Reservations
BIA: Past and Present
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RC014967

American Indians

Published by the Bureau of Indian Affairs,
Department of the Interior
Washington, D.C.
1984

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Washington, D.C. 20402

Directions:

Federal Indian Policy

Federal Indian policy is a plan or course of action designed to influence and define decisions affecting Indian tribes and Alaska Natives. Within this framework, Indian policy is a guiding principle, determining the direction the U.S. government takes in its relations with tribal governments and in the general conduct of Indian affairs. In the more than two centuries since the United States came into being, Indian policy has fluctuated greatly. Its intentions have been captured in self-explanatory names describing periods of history such as forced removal, assimilation, termination and self-determination. Each reflects an attitude of the federal government toward Indians.

ON JANUARY 24, 1983, President Ronald Reagan issued an American Indian policy statement that reaffirmed the government-to-government relationship of Indian tribes with the United States, expressed the primary role of tribal governments in reservation affairs, and called for special efforts to develop reservation economies.

Reagan's policy is both an extension and an expansion of the self-determination policy set forth in 1970 by President Richard Nixon. The goal of the Reagan administration is to turn the ideals of the self-determination policy into reality.

Indian self-determination is a relatively new concept that makes it possible for Indian tribes and people to maintain their distinction as Indians—to preserve their Indian character—and simultaneously develop new ways-of-life, including economic programs, which enable them to fit into the modern world and present-day American society.

This concept is a major break from past American Indian policy. For nearly 200 years national policy wavered between the goals of removal—separation from the rest of society—and assimilation, absorption into the mainstream.

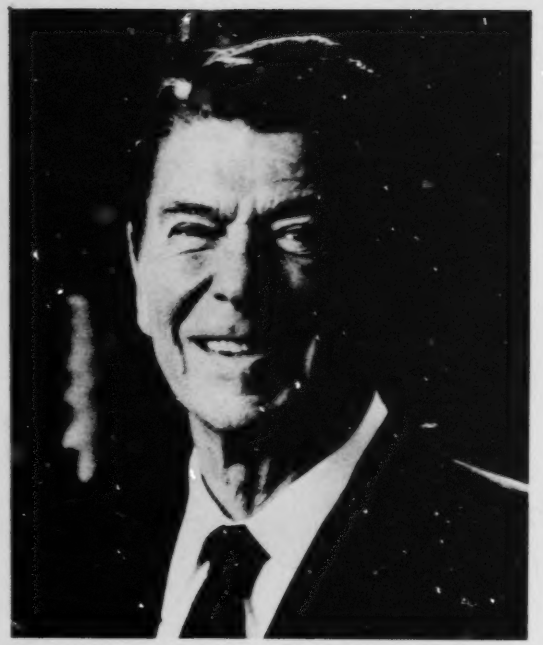
Trade Restrictions

Early policy positions of the United States limited relations between Indians and non-Indians by regulating and restricting trade. In the United States Constitution, Article 1, Section 8, it is stated that "the Congress shall have power . . . to regulate commerce with foreign nations, and among the several states, and with Indian tribes."

The Northwest Ordinance of 1787 established a framework for settlement beyond the Alleghenies by asserting that Indian "land and property shall never be taken from them without their consent . . .they shall never be invaded or disturbed unless in just and lawful wars authorized by Congress; but laws founded in justice and humanity shall from time to time be made for preventing wrongs done to them, and for preserving peace and friendship with them."

Among the early laws enacted were non-intercourse acts prohibiting land deals with Indians except with the specific approval of Congress.

Exploitation of Indians through trade was one of the major causes of fighting and conflict between Indians and non-Indians on the western frontier.



Forced Removal

When trade restrictions proved ineffective in maintaining peaceful relations between Indians and their neighbors, proposals for removing the Indians to unsettled lands west of the Mississippi River began to surface. President Thomas Jefferson suggested such a possibility to Congress in 1803 and a year later incorporated a provision for the exchange of Indian lands in the act organizing the Louisiana Territory.

The Indian Removal Act was passed in 1830, but the systematic forced removal of Indians from their eastern homelands to the western wilderness had been included in a number of treaties prior to this. Under the removal legislation, most of the so-called

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Five Civilized Tribes—Cherokees, Chickasaws, Choctaws, Creeks and Seminoles—were taken from their homes in the southeastern states and marched along the infamous "Trail of Tears" to a new Indian territory, which is now the state of Oklahoma.

Indian tribes from the northeast and Great Lakes region also were subjected to the removal policy, which was justified by the federal government as a means of protecting the Indians from repeated encroachments of white settlers.

Probably 100,000 Indians were resettled as a result of the removal policy. The removal policy, however, contained a major flaw. There was no way Indians could be removed far enough or fast enough to stay out of the path of the ever-advancing settlers.

Reservations

As the settlers forced their way westward, another form of removal was incorporated into treaties made with tribes: establishment of reservations. In 1867 and 1868 the Indian Peace Commission negotiated the last of the 370 treaties made between tribes and the United States. These final treaties required tribes of the upper great plains, the southwest and the northwest to settle on various reservations. The last treaty, entered into with the Nez Perce of Oregon on August 13, 1868, removed the tribe to a reservation in Idaho.

The surrender of the Apache chief Geronimo in the southwest in 1886 and the massacre at the South Dakota hamlet of Wounded Knee in 1890 marked the end of serious resistance to confinement on reservations.

The attitude of United States officials toward the "forced reservation" system was expressed by Francis Walker, who was Commissioner of Indian Affairs from 1871-73. Said Walker: "The Indians should be made as comfortable on, and uncomfortable off, their reservations as it was within the power of the government to make them; that such of them as went right should be protected and fed, and such as went wrong should be harassed and scourged without intermission."

Still, the reservation system, even for those Indians who acquiesced to it, contained many destructive elements. It made Indians wards of the federal government. Traditional leaders of the tribes were by-passed and made ineffective. The possibility—and the need—of providing their own food, clothing and shelter was taken from the reservation Indians. There was a gradual breakdown of tribal traditions and native religious practices were discouraged.

Chief Joseph of the Nez Perce

Land Allotment, Assimilation

The General Allotment Act, introduced in Congress by Senator Henry Dawes of Massachusetts, was passed in 1887. Its intent was to break up tribal land holdings, allot small parcels of 40 to 160 acres to Indian families or individuals and eventually assimilate the Indian "farmers" into the larger community.

Allotment was a means toward accomplishing the federal Indian policy of assimilation. The philosophy of assimilation is the belief that things are better for all concerned when a minority group is absorbed into the larger culture.

The allotment act granted citizenship status with the acquisition of land. This provision was included as an incentive to get Indians to participate in the allotment process. Some Indians did become citizens this way, but it was not until 1924, when Congress passed the Indian Citizenship Act, that citizenship was conferred on all Indians and Alaska Natives.

It is an understatement to say the allotment policy was not successful. In truth, it was a disaster for the nation's tribes. In the nearly 50 years of the allotment period, Indian land holdings were reduced from more than 136 million acres in 1887 to less than 50 million acres in 1934, when the policy was abandoned completely.

A 1928 study of federal Indian policies, the Meriam Report, offered the following appraisal of Indian allotment: "When the government adopted the policy of individual ownership of the land on

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The leaders of ten bands of Sioux Indians, and an array of government officials, were gathered on the steps of the United States Capitol in Washington, D.C. on October 14, 1888. Standing at the far left of the third row, slightly separated from the others, is the great Chief Sitting Bull.

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the reservations, the expectation was that the Indians would become farmers . . . as if the government assumed that some magic in individual ownership of property would in itself prove an educational civilizing factor, but unfortunately this policy has for the most part operated in the opposite direction. Individual ownership, in many instances, permitted Indians to sell their allotments and to live for a time on the unearned income resulting from the sale."

Revival of Tribal Organizations

The Indian Reorganization Act of 1934 ended the allotment period and its attempts to dismantle traditional tribal groups. The act initiated substantive efforts by the federal government to develop functional tribal governments and to work with tribes for the improvement of living conditions on reservations.

Although tribes were urged to adopt American-style elected democratic governments, in practice Bureau of Indian Affairs officials continued to direct and control most activities on most reservations.

The experience of some 70,000 Indian men and women who left reservations for the first time to go into military service and defense industries during World War II had a major impact on post-war reservation life, especially in the creation of new attitudes about the value and need of education and job training.

Termination

Efforts to terminate the special federal relationship of Indian tribes with the United States culminated, in 1953, with passage of House Concurrent Resolution 108, adopted by both the House and Senate.

This resolution stated it was the policy of Congress "to make the Indians . . . subject to the same laws and entitled to the same privileges and responsibilities as are acceptable to other citizens." Subsequently, 12 termination acts were passed by Congress between 1954 and 1962, affecting about a dozen tribes and several hundred small bands and groups in Oregon and California.

Federal legislation between 1973 and 1980 restored six of the terminated tribes and four of the California bands to federally recognized status. As had been the case with other national Indian policies, termination failed in its attempt to come to grips with the problems facing American Indians.

Breaking with the Past

In the 1950s and 1960s, Indian tribal groups—like other minority groups—began assuming a more active role in their own socio-economic programs and in the shaping and implementing of federal government programs. This increased participation and involvement in matters affecting their communities laid the foundation for President Richard Nixon's announcement in 1970 of a new policy of Indian self-determination.

"The time has come," the policy statement said, "to break decisively with the past and to create the conditions for a new era in which the Indian future is determined by Indian acts and Indian decisions."

Rejecting both the termination policy and governmental paternalism, the policy went on to say: "We must assure the Indian that he can assume control of his own life without being separated involuntarily from the tribal group. And we must make it clear that Indians can become independent of federal control without being cut off from federal concern and federal support."

President Reagan's Indian Policy

President Ronald Reagan, in his 1983 policy statement, endorsed this concept of self-determination. He added, however, that while the principle of self-government that flowed from it was a good starting point, there had been more rhetoric than action in its implementation.

He said: "Instead of fostering and encouraging self-government, federal policies have, by and large, inhibited the political and economic development of the tribes. Excessive regulation and self-perpetuating bureaucracy have stifled local decision-making, thwarted Indian control of Indian resources and promoted dependency rather than self-sufficiency. This administration intends to reverse this trend . . ."

The Reagan policy focuses on the need to strengthen and support tribal governments while moving the federal government out of the surrogate governing role it had assumed. He specifically mentions plans to help smaller tribes develop basic managerial and administrative skills. He also recommends actions to clarify the legal privileges of the tribal governments and give them the tax status of states and other local governments.

A large section of the Reagan policy statement is devoted to the development of Indian reservation economies, because "without sound reservation economies, the concept of self-government has little meaning." The President notes that Indian leaders have identified development of reservation economies as their number one priority.

President Reagan promises tribes that federal support will be made available to assist them in developing "necessary managing capability and in attracting private capital." He also announced the establishment of a Presidential Commission on Indian Reservation Economies to identify obstacles to economic growth. The commission also will

recommend changes in federal law, suggest ways for the private sector to participate, and advise the President on recommended actions to further development and growth on reservations.

Reagan's policy asks Congress to express its support of Indian self-government by expressly and formally repudiating House Concurrent Resolution 108 of the 83rd Congress, which established the now discredited policy of terminating the federal-tribal relationship. "A lingering threat of termination has no place in this administration's policy of self-government for Indian tribes," the President said.

The Reagan Indian policy challenges Indian people and Alaska Natives to take responsibility for themselves and their communities. It offers them the opportunity to retain their Indian heritage and culture, not as a relic of a dead past, but as a vital part of today's world. The policy proposes no easy solutions to difficult problems. Instead, it "affirms the right of tribes to determine the best way to meet the needs of their members and run programs which best meet those needs."

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Yesterday:

Bureau of Indian Affairs

The mission of the Bureau of Indian Affairs is to act as the principal agent of the United States in carrying on the government-to-government relationship that exists between the United States and federally-recognized Indian tribes; and, to act as principal agent of the United States in carrying out the responsibilities the United States has as trustee for property it holds in trust for federally-recognized tribes and individual Indians.

THE TWIN CORNERSTONES of the mission of the Bureau of Indian Affairs—the government-to-government relationship with Indian tribes and Alaska Natives and the trust responsibility—are the result of more than two centuries of interaction between the United States and tribal groups. Virtually everything the Bureau does stems from these two concepts and both are inextricably bound to the past. An historical perspective, then, is necessary in understanding present day Indian affairs and the role performed by the Bureau of Indian Affairs.

To begin, one must first go back to the earliest days of settlement on this continent by the Europeans. The Spanish, French, Dutch and English who settled here each brought with them their own concept of how to deal with the Indians. These attitudes provided the seeds from which would grow a distinct and unique relationship with Indian tribal groups.

Generally, three main points evolved from these early years and they were incorporated in varying degrees by the founding fathers of the United States as a basis for the country's Indian policy. These include:

- Tribes were to be thought of as separate sovereign nations to be dealt with on a government-to-government basis.
- As separate nations, the internal affairs of tribes were the responsibility of the tribal entity and were not to be tampered with.
- Relations with tribes were considered to be between nations and were to be handled by the central government.

Acceptance of these concepts was necessary before treaties could be made with Indian tribes. Treaties can only be made between sovereigns; they can only be made by the central government, and they affirm, rather than deny, mutual right of self government.

The Articles of Confederation, approved in 1777 but not made effective until 1781, introduced one of the many contradictory elements found in Indian affairs. What the Confederation did was divide responsibility for Indian affairs between the central government and the states. At the same time, it agreed in principle that the central government should regulate Indian affairs and manage Indian trade.

The notion of giving the 13 original states responsibility for Indians residing within their boundaries and investing in the central government responsibility for all other Indians strengthened the concept of "Indian Country," but it perplexed many people.

James Madison, writing in the *Federalist*, called it "absolutely incomprehensible" and likened it to subverting a mathematical axiom, "by taking away a part, and letting the whole remain."

The framers of the U.S. Constitution attempted to eliminate the problem by calling for specific constitutional authority for federal supervision of Indians in the Commerce Clause. Provisions for making treaties with Indians were established and Congress was charged with the responsibility "To regulate commerce with foreign nations, and among the several States and with the Indian tribes."

Moreover, it stipulated that the Constitution, and all treaties (including treaties with Indian tribes), ". . . shall be the supreme law of the land; . . . anything in the Constitution or laws of any State to the contrary notwithstanding."

Some years later, Chief Justice John Marshall in *Worcester v. Georgia* made it clear the Constitution confers on the national government "all that is required for the regulation of our intercourse with the Indians. They are not limited by any restrictions on their free actions; the shackles imposed on this power, in the Confederation, are discarded."

Courts have consistently reaffirmed these powers of the central government. In practice, however, the 13 original states maintained supervision over Indians within their boundaries. The division of authority established in the Articles of Confederation spawned numerous complex legal problems, some still being considered by the courts today.

In grouping Indian tribes with states and foreign nations in the Commerce Clause, the United States was recognizing the Indians as a separate and distinct political entity to be dealt with on a government-to-government basis.

Tribes as Sovereigns

In 1778, the first treaty was signed between an Indian tribe, the Delaware, and the U.S. government.

In signing this treaty, the United States was affirming the English and European tradition of dealing with tribes as political entities. Early U.S. policy was consistent with the European practice of recognizing tribes as governments with full internal sovereignty.

In the early 1830s, Chief Justice Marshall further reaffirmed the nature of Indian tribes as sovereigns in *Cherokee Nation v. Georgia* and *Worcester v. Georgia*. The high court decisions characterized Indian tribes as dependent sovereign nations possessing all attributes of sovereignty save those which Congress has expressly limited or taken away.

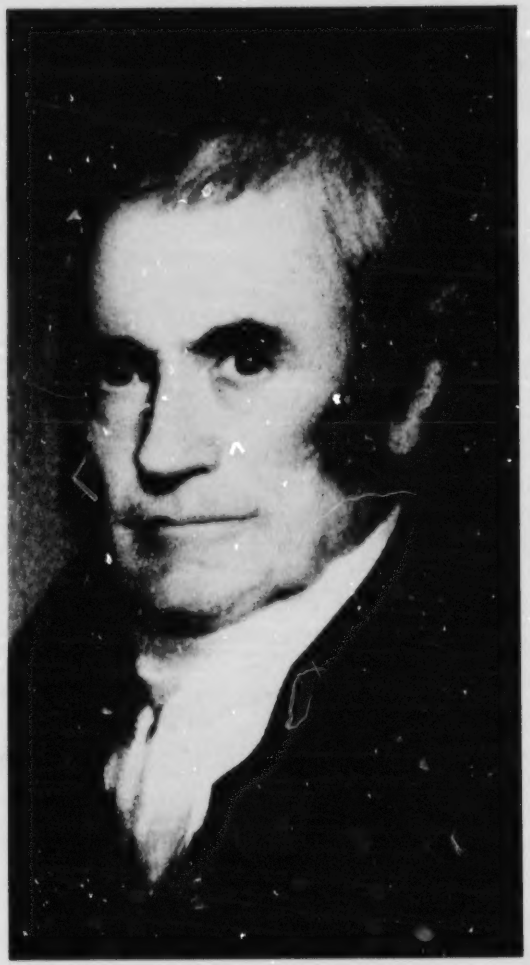
Subject to some judicial and legislative amendments, the conclusions reached in these cases concerning the status and sovereignty of tribes have survived to the present day.

Marshall used the phrase "domestic dependent nations" to describe the political status of tribes. These words were a way of expressing the fact that tribes, after conquest and through treaty, had agreed to regard themselves as under the protection of the United States.

Marshall's definition acknowledged two ways in which tribal sovereignty, by 1832, had been limited.

First, by accepting the protection of the United States, tribes agreed to extinguish their external sovereignty. Secondly, by treaties, and again as protected nations, tribes agreed to recognize the legislative powers of Congress over them. This second limitation is commonly referred to as "plenary," which means absolute or total. It should be noted, however, that even this plenary power has its roots in mutual agreement. Tribes had consented in treaties to give Congress this power.

Also, this agreement did not extinguish tribal sovereignty. A tribe's sovereign powers can only be removed by specific, positive acts, and they can only be removed by the federal government. Powers not removed remain sovereign powers—inherent, not given.



Chief Justice John Marshall

The government-to-government aspect of federal-tribal relations has received some serious assaults through the years. In particular, the allotment period had a severe effect on the ability of tribal governments to function and the termination era in the 1950s threatened the entire structure of the relationship.

In recent years, however, tribes have adopted measures to strengthen their tribal governments and take control of their own affairs. The Bureau of Indian Affairs is supportive of this process.

In FY 1985, 440 self-determination grants, as defined by Public Law 93-638, will go to tribes to strengthen their tribal governments. Also, tribal government services of the Bureau are being expanded to improve and strengthen the technical support provided to tribal governments and tribal court systems. Special initiatives will be directed to formal training, specialized guidance, improvement of tribal governing document codes, and other regulatory controls that will enhance a tribe's capacity to govern.

The Trust Responsibility

THE TRUST RELATIONSHIP between the United States and Indian tribes and Alaska Natives cannot be precisely defined to satisfy all it entails. For this reason, misunderstandings sometimes arise and often parties will disagree on the extent of the trust.

The trust agreement is not spelled out. There is no trust agreement, with all its ramifications, that may be found in any single document. Rather, the trust is an evolving doctrine that has been expanded over the years to meet changing situations and changing times.

It is wrong to conclude, however, that because the trust relationship is not specifically defined, it is lacking in importance or significance. The trust is an established legal and moral obligation requiring the United States to protect and enhance the property and resources of Indian tribes.

The trust responsibility was first enunciated by the courts in *Cherokee Nation v. Georgia*, which was handed down in 1831.

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The significance of the high court opinion, written by Chief Justice John Marshall, is found in a discussion of the legal status of Indian tribes and their relationship with the federal government.

Marshall characterized this relationship as "perhaps unlike that of any other two people in existence" and said it was "marked by peculiar and cardinal distinctions that exist nowhere else." He then invoked the trust relationship between the United States and Indian tribes by saying it "resembles that of a ward to his guardian."

The use of such words as "guardian" and "ward" may have seemed appropriate in the 1800s, but today the relationship more properly should be described as involving a "trustee" and "beneficiary."

In common law, a guardian is under the supervision of a court and is not required to consult with the ward in carrying out his duties. This is distinguished from the trust relationship, which is sometimes viewed as a partnership agreement. For example, the consent of Indian tribes is required in order to dispose of property. Also, there is a much broader accountability required by the trustee to the beneficiary than would be found in a guardianship.

This obligation has often been referred to as "fiduciary," meaning founded on trust or confidence. Through the years, courts have agreed with Marshall that our law has no direct parallel to this trust relationship and it has been described as being "unique," or "solemn," or "special," or "moral."

The trust responsibility of the United States with regard to the land and other natural resources of Indian tribes and Alaska Natives is a direct outgrowth of English law and practice which held that title to newly-discovered lands was in the Crown, or government, but subject to a compensable right of occupancy by the aboriginal people.

Title to land is held in trust for tribes by the United States. In certain instances, land is held in trust by the United States for individual Indians. Some tribal funds also are held in trust and, in some cases, funds are held in trust for individual Indians.

As regards land, the trust responsibility is extensive, encompassing not only the land itself but anything to do with the land. Thus, the minerals under it, the water flowing over it, and the grass that grows upon it all are elements of the trust estate. As the operating arm of the Secretary of Interior, the Bureau has a responsibility to carry out the management and protection of these resources. This includes taking whatever steps are necessary to prevent waste.

Although *Cherokee Nation v. Georgia* involved a treaty, court decisions have held the trust relationship may be created by other means, such as statutes, agreements and executive orders.

The trust consists of a series of laws passed by Congress, regulations promulgated pursuant to these laws, and federal administrative practice. There is a separate body of Indian trust law developed by the federal courts based on federal court decisions.

While the Secretary of the Interior is responsible for carrying out the trust responsibility, the ultimate trustee in Indian affairs is the Congress, and therein lies a unique aspect of the federal-tribal relationship. Congress has plenary, or absolute, power in its dealings with Indian tribes. And, unlike other trust relationships, it can unilaterally dissolve the trust agreement with tribal groups. The Congress does not need to consult with, or seek approval from the tribes to terminate this relationship.

On the other hand, tribes do have recourse in courts if the trust responsibility is breached. While tribes cannot bring suit against Congress, officials who administer the trust are directly accountable through court actions. Accordingly, Indian tribes and individuals have recourse against the Department of the Interior, or any other agency of government that violates the trust agreement.

The executive branch of the federal government—which includes the Department of the Interior and the Bureau of Indian Affairs—is the agent responsible for carrying out the trust. As an agent, it cannot terminate the trust or change the manner in which it is carried out. Only Congress can do this.

In protecting the trust estate, the Bureau of Indian Affairs faces a formidable and continuing challenge. There are indications the challenge is being met. To cite one example, income to Indian tribes from mineral leases leaped to an all-time high of $396.3 million in 1982. This represents a 58.2 percent increase over the previous year. Of this income, $368.2 million came from oil and gas leases.

Likewise, financial trust services also are maintained by the Bureau to enhance the trust estate. In FY 1983, $1.676 billion of trust fund revenues were invested with per annum earnings of $171 million. Some 262 tribes received financial services and individual Indian money accounts were maintained for 250 tribes.

BIA Beginnings

WHILE THE BUREAU OF INDIAN AFFAIRS did not receive official recognition from Congress until 1834—ten years after it had been administratively established by the Secretary of War—the stage was set for its creation in the earliest days of the United States government.

Henry Knox, Secretary of War, assumed responsibility for Indian affairs through an ordinance of August 7, 1786. The first Congress continued the administration of Indian affairs within the War Department, established in 1789, with direction to the Secretary to place armed militia at the disposal of Indian commissioners "for negotiating treaties with the Indians."

Trading houses were maintained from 1786 to 1822 to supply Indians with necessary goods and, in turn, to offer them a fair price for their furs and other products in exchange.

The Office of Superintendent of Trade came into being in 1806 with responsibilities to continue the practice of trading with Indians. When the office was abolished in the early 1820s, it was logical that the Superintendent should become the first head of the Bureau of Indian Affairs.

Without authority from Congress, Secretary of War John C. Calhoun on March 11, 1824, created what he called the Bureau of Indian Affairs. Thomas McKenney, formerly Superintendent of Trade, was appointed to head the office with two clerks assigned to him as assistants.

McKenney realized that although he had inherited all the routine work pertaining to Indian affairs, the real responsibility rested with officials in the War Department. He saw a need for an Office of Indian Affairs which would have the essential responsibility placed on a department head who could act on matters concerning relations between the United States and Indian tribes.

On March 31, 1826, McKenney drew up a bill that called for an Office of Indian Affairs created by Congress, with a responsible head who could deal with the federal-tribal relationship. Congress did not give its approval to the plan.

Three years later, in 1829, at the request of the Secretary of War, McKenney's proposal was included in a plan to reorganize Indian affairs. Again, Congress did not act.

New legislation was prepared by the Senate Committee on Indian Affairs in the 22nd Congress. On July 9, 1832, Congress authorized the President to ". . . appoint, by and with the advice and consent of the Senate, a Commissioner of Indian Affairs, who shall, under the direction of the Secretary of War, and agreeably to such regulations as the President may, from time to time, prescribe, have the direction and management of all Indian affairs, and of all matters arising out of Indian relations."

Salary for the first Commissioner, Elbert Herring, was set at $3,000 per year.

In the first session of the 23rd Congress in 1834, the Committee on Indian Affairs of the House of Representatives produced three bills dealing with Indian affairs. These included measures to (1) organize a Department of Indian Affairs, (2) regulate trade with Indians, and (3) provide for the establishment of a western territory in which the Indians should be segregated.

The third measure, favoring creation of a western Indian territory, did not pass, but the other two were enacted. Thus, on June 30, 1834, the Bureau of Indian Affairs officially came into being through what since has become known as the organic law of the Indian office.

The legislation in no way altered the power of the Secretary of War or the Commissioner. It was a step taken primarily to improve the organization of the field force. It eliminated some of the older offices of superintendencies and agencies whose locations had become ineffective because of changing conditions.

Although Secretary Calhoun used the term "Bureau of Indian Affairs" when he administratively created an Indian office in 1824, the name "Office of Indian Affairs" became more commonly used throughout the 1800s and early 1900s. However, the designations appear to have been used interchangeably through the years. Today, the proper title is Bureau of Indian Affairs and this nomenclature is both universally accepted and officially recognized.

Changes: Early Years to the Present

The practice of having governors of territories serve as *ex officio* superintendents of Indian affairs, first initiated in 1789, continued after the creation of the Indian office in 1834, not by any positive declaration, but by omission of any repeal of their duties in the act.

Jim Thorpe, Olympics gold medalist and "world's greatest athlete," was a Carlisle Indian School student.

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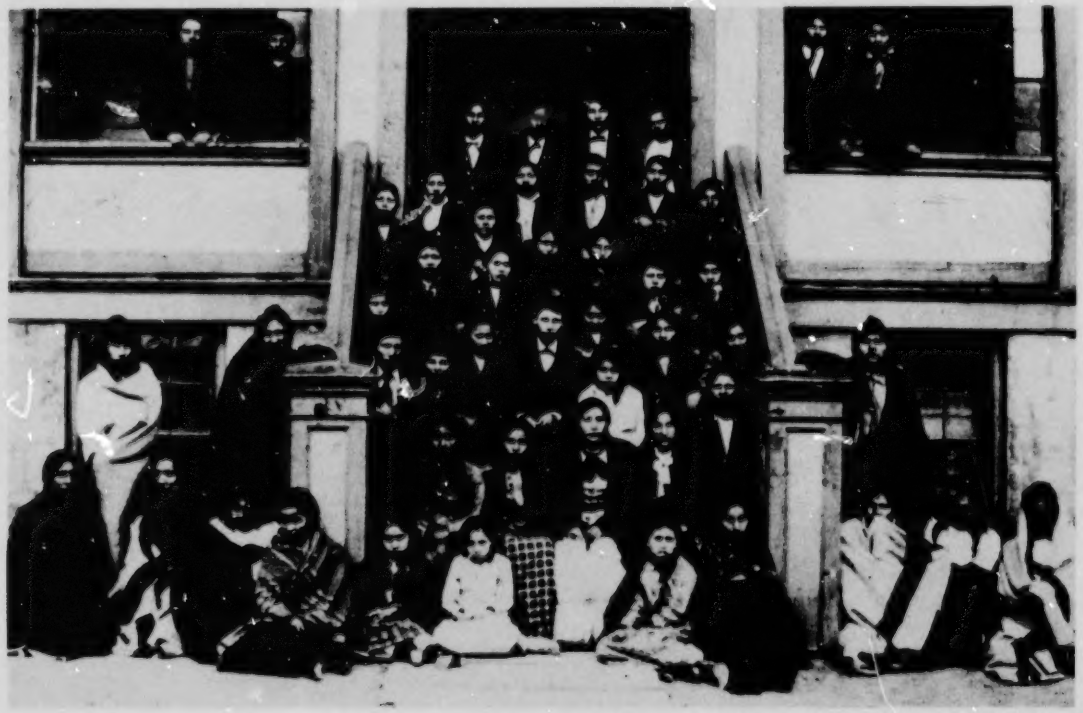
The organizational structure of Indian affairs during the 1800s primarily offered two types of field jurisdictions—superintendents and agents. The superintendents generally were responsible for Indian affairs within a geographical area, usually a territory. Agents, some reporting to superintendents and others directly to the Indian affairs office, were concerned with the affairs of one or more tribes.

The Bureau of Indian Affairs was to remain in the War Department for 15 years after its creation by Congress. An act of March 3, 1849, established the Home Department of the Interior and Indian affairs at that time passed from military to civilian control.

The move to Interior did not affect Indian policies or administration, as the Office of Indian Affairs essentially had been a civilian bureau since 1834. There were army officers serving as agents when the move to Interior was made and this practice was to continue on an occasional basis in the years that followed. But control of the office primarily was civilian, not military.



A forerunner to the Carlisle Indian School was the Hampton Institute in Virginia. Lt. R. H. Pratt, Carlisle founder, brought Indians from the Dakotas and elsewhere to attend the Hampton school with black students. Many of the Indians are buried in the small cemetery on the campus.

When Ulysses S. Grant became President in 1869 he adopted a new policy of delegating the appointing of Indian agents to several religious organizations interested in the welfare of Indians.

This was viewed as a political move, since the law required Indian agents to be confirmed by the Senate and Grant apparently believed it was necessary to seek out nominees from well-intentioned groups the Senators would fear to offend.

Education of young Indians began to come to the forefront in 1860 with the establishment of the first federal boarding school on the Yakima Reservation in Washington. In 1879, the first off-reservation boarding school for Indians was established at Carlisle, Pennsylvania. Chemawa Indian School in Oregon, Haskell Institute in Kansas and Chilocco Indian School in Oklahoma were opened within the next five years.

In 1883, the position of superintendent of schools was established and ten years later an act of Congress authorized the Commissioner of Indian Affairs to assign the duties of Indian agent to a school superintendent. Since school superintendents were under Civil Service and Indian agents were appointed politically, this was seen as an attempt to eliminate political patronage.

In the early 1900s, supervisory positions were established within the Bureau of Indian Affairs for specialized activities such as irrigation, forestry, Indian employment, law enforcement, construction and health.

Although health services had been available to Indians as far back as 1832, it wasn't until 1911 that an Indian health program became a regular part of the Indian office administration. Prior to this, Indian health had been a part of the education division. Indian health would remain with the Bureau until 1954, when it was transferred to the U.S. Public Health Service in what is now the Department of Health and Human Services.

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After World War II, a system of area offices was established and area directors were made responsible for administering all Bureau programs within their geographical locations.

Until 1973, the Bureau of Indian Affairs was placed organizationally under an Assistant Secretary whose principal responsibilities were centered around land and water resources or other Interior programs. Indian affairs was a sideline concern and frequently the Assistant Secretary's actions bordered on conflict of interest, when Indian goals and objectives were opposed by other Interior agencies.

This situation was partially corrected when Morris Thompson, an Athabascan Indian from Alaska, became Commissioner in 1973 and was made directly responsible to the Secretary of the Interior.

Finally, in 1977, the post of Assistant Secretary of Indian Affairs was created, thereby assuring the Bureau of a voice in policy matters within the Interior Department. Forrest Gerard, a member of the Blackfeet Indian Tribe, became the first to fill this office.

Today:

Bureau of Indian Affairs

The principal objectives of the Bureau of Indian Affairs are to actively encourage Indian and Alaska Native people to manage their own affairs through the contracting of programs and other means under a trust relationship with the federal government; to facilitate, with maximum involvement of Indian and Alaska Native people, full development of their human and natural resource potentials; to mobilize all public and private aids to the advancement of Indian and Alaska Native people for use by them; and to utilize the skill and capabilities of Indian and Alaska Native people in the direction and management of programs for their benefit.

IN SPITE OF ITS VISIBILITY in working with Indian tribes and Alaska Natives, there remains confusion in the minds of many people concerning just what the Bureau of Indian Affairs actually does. Years of criticism and complaint have colored the image of the Bureau and a general misunderstanding of the mission and goals of the organization continues to surface.

In discharging its duties, the Bureau does not attempt to manage the affairs of the 488 federally-recognized tribes served by the organization. The era of paternalism is dead. Instead, a viable policy of Indian self-determination, emphasized by President Reagan's January 24, 1983, Indian policy statement, keys the direction of the Bureau.

In a little more than a decade, self-determination has altered the thrust of Bureau of Indian Affairs activities, shifting the focus from that of a program services organization to one that assists tribes in taking control of their own affairs. Accepting the challenge of this federal policy, tribal governments have established a record of unparalleled progress. To speed the process, the Bureau spends a great deal of time, money and effort in developing tribal administrative skills to operate Indian programs.

Contracting of Bureau programs is one of the principal means for tribes to take control, and Bureau officials are encouraging its use. Instead of the Bureau operating a school or, say, a social services program on a reservation, the tribe operates it under a contract with the Bureau.

Assistant Secretary Kenneth Smith has made it one of his prime objectives to increase dollar volume of programs under contract and the trend is upward. Contracting by tribes to operate programs totalled $241 million in fiscal 1983, and is expected to increase to $245 million in fiscal 1984 and $250 million in fiscal 1985.

It is estimated in fiscal 1985 the Bureau will contract with 325 tribes and tribal groups, entering into some 1,275 separate contracts. The $250 million dollar amount for these contracts represents 27 percent of the total Bureau budget. These figures become even more impressive when compared with fiscal 1976, the first year of the Indian self-determination services program, when around 200 tribes contracted for 800 programs.

Contracting—coupled with the self-determination grants program, which has the same aim—clearly defines the path ahead for the Bureau and federally-

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recognized Indians and Alaska Natives. Tribes are assuming greater responsibilities in such areas as social services, law enforcement and developing and managing their resources. As tribes accept control of these areas, the presence of the Bureau of Indian Affairs will lessen. But some things will remain the same.

The three major areas of responsibility from which the goals and budget of the Bureau of Indian Affairs are derived include support of the government-to-government relationship, carrying out the trust responsibility, and administrative support required in the conduct of federal operations.

These responsibilities will remain constant in the face of change. Also, the Bureau will continue to staff and support programs for tribes while the transition to self-determination and self-efficiency is being made.

While the Bureau of Indian Affairs supports tribal efforts to reach self-determinaton and control of their own affairs, it also has a solemn obligation to meet the dictates of the trust responsibility. And when self-determination and the trust face off in a head-to-head confrontation, as they sometimes do, the trust obligation under law takes precedence.

Organization and Authority

THE BUREAU OF INDIAN AFFAIRS functions through a three-tier organizational structure topped by the central, or headquarters, office in Washington, D.C. At the second, or mid-management, level are the 12 area offices located throughout the United States, which have various authorities over geographical regions. The final organizational component are the agencies, which provide services to one or more tribes.

Lines of authority within the Department of Interior run from the cabinet-level Interior Secretary to the sub-cabinet level Assistant Secretary for Indian Affairs, which is the top Indian affairs post in the federal government. The Assistant Secretary is appointed by the President and confirmed by the U.S. Senate. Continuing, lines of authority extend to the Deputy Assistant Secretary for Operations, to the area directors, and, finally, to the agency superintendents.

Kenneth Smith, a Wasco Indian from the Confederated Tribes of Warm Springs in Oregon, presently occupies the position of Assistant Secretary for Indian Affairs. In this post he establishes policies, directs the total operation of the Bureau of Indian Affairs, and deals directly on Indian affairs with Interior Secretary William Clark and the Congress.

John W. Fritz, of Cherokee Indian descent, is the Deputy Assistant Secretary for Operations. This position is roughly equivalent to the old Commissioner of Indian Affairs post, which, while still listed in the Departmental Manual, is no longer filled. Legislation has been introduced to eliminate the Commissioner designation. Fritz commands the day-to-day operation of the Bureau through direct contact with area directors and others.

Each area office is under the direction of an area director who is responsible for all non-educational Bureau activities within a defined area.

The only area office to serve a single tribe is *Navajo*, which is located in Window Rock, Arizona. The sprawling Navajo Reservation, containing almost 14 million acres of land in Arizona, New Mexico and Utah, is home to more than 160,000 Indians, making Navajo the largest tribe in the United States.

The *Eastern* area office is headquartered in Washington, D.C., and directs Bureau operations over a region that includes New York, Connecticut Rhode Island, Maine, North Carolina, Louisiana, Mississippi and Florida.

Oklahoma has two area offices, one at *Muskogee* and one at *Anadarko*. Muskogee's jurisdiction is limited to tribes in eastern Oklahoma, while Anadarko serves Indians in Kansas and western Oklahoma.

The southwestern states of New Mexico and Arizona each boast an area office, as does California. *Albuquerque*, New Mexico, has jurisdiction in Colorado and New Mexico; while *Phoenix*, Arizona, serves 46 reservations and colonies in Arizona, Nevada, Utah and California. Representing the Bureau of Indian Affairs in California, the state with the largest Indian population, is the area office at *Sacramento*.

The *Portland*, Oregon, area office is responsible for tribes in the Pacific Northwest states of Oregon, Washington, Idaho, the Flathead Reservation in Montana, and the Annette islands reserve in Southeast Alaska, and *Billings*, Montana, deals with tribes in Montana and Wyoming. The northernmost area office is *Juneau*, Alaska, which serves Alaska natives.

In the upper midwest, the *Aberdeen*, South Dakota, area office controls Bureau activities in Nebraska, North Dakota and South Dakota, and the area office in *Minneapolis*, Minnesota, is responsible for the states of Minnesota, Iowa, Michigan and Wisconsin.

There are 84 agency superintendents in the Bureau of Indian Affairs and theirs is one of the most demanding jobs in the entire federal government. Working directly with tribes on a daily basis, an agency superintendent must wear many hats in the performance of his duties. Not only is he concerned with the trust responsibility at its most basic level, he is the essential link in the government-to-government relationship as well.

An agency superintendent, by law, has fundamental responsibilities in the proper handling of Public Law 93-638 Indian self-determination contracts and grants. As tribes become more capable of assuming control of Bureau programs, it is the superintendent who works with them to accomplish their goals. Once a contract is entered into, the superintendent is the contracting officer's repre-

A disabled veteran, Harry Begay, (upper right) operates a snack bar at Window Rock, Arizona on the Navajo reservation. Angela Tafoya (above) was the winner of the almost-100-yard dash at the senior olympics sponsored by the All-Indian Pueblo Council. The dancers (right) are Alaska Natives.

sentative, and as such, is totally responsible for full compliance of the total contract program.

The superintendent also implements Bureau policy in other areas and may direct such diverse non-contracted Bureau programs as housing, law enforcement, social services, forestry, land operations, tribal operations and roads. He also has

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fiscal responsibilities to handle the agency budget within stringent regulations.

Added to the degree of difficulty in the superintendent's position is the fact that he may deal with more than one tribe and must relate to each tribe's special problems and varied interests.

The Bureau of Indian Affairs is itself basically Indian. A count made at the end of 1983 showed 15,729 employees on its payroll and Indians constitute more than 80 percent of the Bureau workforce. Indian preference, which favors the placement of Indians over non-Indians for employment in the Bureau of Indian Affairs and Indian Health Service, has had an effect in attracting more Indians to the Bureau. The policy of Indian preference was upheld by the U.S. Supreme Court in the *Mancari v. Morton* case in 1974.

Indians hold nearly all of the top management positions in the Bureau's Central Office and 12 area offices. About 90 percent of the organization's agency superintendents are Indian.

Education Program

IN RECENT YEARS, TWO MAJOR LAWS have resulted in a restructuring of Indian education programs.

In 1975, passage of Public Law 93-638, the Indian Self-Determination and Educational Assistance Act, greatly facilitated contracting for the operation of educational programs by tribal groups.

Three years later, Public Law 95-561, the Educational Amendments Act of 1978, established a new line of authority from the Assistant Secretary to the director of the Bureau's education office and then to the professional educators at the schools and field offices. Implementation of 95-561 also resulted in decision-making powers for Indian school boards, local hiring of teachers and staff, direct funding to schools, and increased authority for the director of Indian education programs within the Bureau.

Education is the largest line item in the entire Bureau of Indian Affairs budget. The fiscal 1985 budget request for education programs and operations is more than $273 million, which is testimony to the importance placed on educating Indian and Alaska Native young people.

In fiscal 1984, the Bureau funded a total of 206 education facilities. This included 72 day schools, 49 on-reservation boarding schools, eight off-reservation boarding schools, 62 tribally-contracted schools, and 15 dormitories. Dormitories are operated by the Bureau to facilitate public school attendance for Indian students.

Also in fiscal 1984, the estimated average daily attendance in schools funded by the Bureau was 43,193, including 41,289 instructional and 1,904 dormitory students.

The Bureau provides funds under the Johnson O'Malley Act of 1934 to meet the special needs of Indian students in public schools. These funds, which are largely administered through contracts with tribal organizations, public school districts and state departments of education, provide supplemental programs for Indian students.

In 1983-84 approximately 175,000 Indian students in 26 states received assistance from JOM funds. The Bureau has JOM contracts for administration and development of programs with 229 tribal organizations, 76 public schools and six state departments of education. There are more than 800 Indian parent committees working with these contractors.

Approximately 13,160 Indian students received scholarship grants from the Bureau to enable them to attend colleges and universities in the 1983-84 school year. More than 95 students receiving Bureau assistance are in law school and 152 more are in other graduate programs.

The total number of Indian college students is not known, but estimates place the number at more than 30,000. Total appropriations provided through the Bureau of Indian Affairs for higher education were about $26 million in fiscal 1983-84.

Currently, the Bureau provides grants for the operation of 19 tribally-controlled community colleges. Operating grants are authorized by P.L. 95-471, the Tribally-Controlled Community Col-

Jerry and Melveta Walker have been educating students in BIA schools for almost 20 years. Jerry is the principal of the Teec Nos Pos school on the Navajo reservation. Melveta is the librarian. Both hold Master's degrees from Northern Arizona University and education specialist degrees from Eastern New Mexico University.

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Indian education — yesterday and today. The old Phoenix Indian School, at left, was a handsome structure.

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lege Assistance Act of 1978. The number of Indian students enrolled in these colleges in school year 1983–84 was 3,328. Tribal colleges must pass stringent feasibility studies in orde to be eligible for grants under the program.

The Bureau of Indian Affairs operates three post-secondary schools. They include Haskell Indian Junior College in Lawrence, Kansas, which has an enrollment of about 950 students, the Institute of American Indian Arts at Santa Fe, New Mexico, with about 160 students, and Southwestern Polytechnic Institute at Albuquerque, New Mexico, with about 600 students.

Although the present administration is not the first to voice such a policy, steps are now being taken to reduce the number of off-reservation boarding schools operated by the Bureau of Indian Affairs. In recent years, Concho, Fort Sill and Chilocco schools in Oklahoma, Mt. Edgecumbe ir Alaska, and Stewart in Nevada have closed thei doors. Congress directed the closure of Intermountain Inter-Tribal School in Utah at the end of the 1983–84 school year.

The need for off-reservation boarding schools has declined with the development of schools on the reservations. The off-reservation schools are underutilized and have become very expensive, per pupil, to keep open.

However, the Bureau of Indian Affairs is still meeting the education needs of its Indian students. The Bureau education division, realizing the individual needs of the students it serves, has incorporated a number of programs designed to help young Indians in realizing their potential.

In the Yupik-speaking area of Alaska, a bilingual program, conceived as a means of preserving the Eskimo language and identity, has turned upside down the traditional methods which require students to learn solely in English. Under this bilingual concept, students in the program are being taught in tribal dialects with short periods each day devoted to the study of English, a foreign language to most of them.

The objective of the program is to help students in the early grades become literate in both tribal language and English. Each year, English is taught with the emphasis gradually shifting from the tribal language. By the fourth year, students are learning mainly in English.

So successful was the 1970 pilot bilingual program in Alaska, that it is now a part of the Bureau's education program in many other regions of the country. Of the 42,922 students served in the elementary and secondary education programs Bureauwide, more than 7,000 have participated in bilingual programs, helping them to begin the learning process through their native language.

Nearly 27,000 students in Bureau schools received assistance under Chapter 1 in fiscal 1982. Chapter 1 provides money for operating special programs for educationally-deprived children. It is a supplementary program, aimed at assisting students who have fallen behind classmates of their same age or grade.

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Computer education, fast becoming a necessity and no longer the wave of the future, has been integrated into the curriculum of many Bureau schools, some even at the first grade level. Microcomputers provide motivation and individualized instruction to Indian students.

Bureau schools also attempt to meet the unique needs of handicapped Indian children in special education programs. These programs include classroom instruction, instruction in physical education, home instruction and related services.

Program Services to Indian Tribes

IN PROVIDING SERVICES TO TRIBES, the federal government and the Bureau of Indian Affairs assume a role similar to that of municipalities or local governments, which also offer services to their citizens.

Most of the programs available from the Bureau of Indian Affairs were initiated in this century. This is largely a result of the deleterious effect of the General Allotment Act, instituted in 1887, and the changing direction of Indian policy during the administration of Franklin D. Roosevelt.

Many different motives have been attributed to the passage of the General Allotment Act. Some point to the desire which existed on the part of non-Indian settlers for more land. There also was a feeling that if tribal governments could be broken up, it would be easier to "civilize" the Indians. Certainly there existed a desire to assimilate the Indian into the dominant, non-Indian society.

Whatever the reasons behind it, the allotment policy depleted the economic base of tribes and individual Indians and severely curtailed tribal government capabilities. As tribes became more dependent upon the federal government for survival, the federal government responded with added services.

Federal policy in Indian affairs changed, too, paralleling the programs set into motion by the government in Washington for other Americans. As federal involvement in the lives of the citzenry increased with the New Deal of the Roosevelt administration during the depression years, Indian policy followed the lead.

As a result, the Bureau of Indian Affairs found itself with a laundry list of programs designed to assist tribes. The Bureau was primarily a program services organization until the 1970s, when the push toward self-determination shifted control of many of these programs to the tribes themselves. Through contracting, today it is the tribes, and not the Bureau, who operate a large number of programs on reservations.

The tribal government services program provides funds for community services, fire protection, agricultural extension, tribal enrollment and technical support to tribal government administrative activities. It also provides for the improvement and operation of 119 tribal courts and 19 courts of Indian offenses which enforce and adjudicate the provisions of tribal law and order codes.

The employment assistance program provides funding for 4,557 adult vocational training participants, at an average cost of $4,500 per trainee. It also offers job placement assistance to an estimated 2,381 direct employment participants at an average cost of $2,400 per person.

The Bureau's housing program is involved with renovation of existing homes to insure decent, safe and sanitary housing for Indian communities. In 1985, it is estimated the Bureau will provide for the renovation of 3,881 existing units and the construction of 332 new housing units for Indian clients who do not qualify for other federal housing or private financing for home construction.

Bureau law enforcement programs provide services to an estimated 475,413 service population while patrolling approximately 106,000 square miles of Indian Country and off-reservation treaty fishery sites. There are 23 states with 163 reservations where the Bureau and tribal governments provide law enforcement services.

Social services provides general assistance grants to eligible Indians in 14 states with an expected fiscal 1985 average participation rate of 70,000 persons per month. This is an increase of 1,100 persons over fiscal 1983 and in line with the current estimate for fiscal 1984.

This includes direct financial assistance, institutional or custodial care, and contracts with tribes to run tribal work experience programs, which have an estimated fiscal 1985 participation rate of 4,300 persons. Child welfare assistance provides foster home care and residential care for handicapped children at a rate of 3,000 participants per month on reservations.

Bureau forestry and fire suppression programs provide forest management services for 13.3 million acres of tribal forest land on 104 reservations in 23 states. The expected value of harvested timber for fiscal 1985 will total $100 million, an increase of $20 million over the previous year.

The credit and financing program for fiscal 1985 includes assistance and administrative services for some 90 outstanding guaranteed loans with a face value of more than $85.5 million. It also includes assistance and services on outstanding loans totalling more than $100 million made from the Indian Revolving Fund for Loans and assistance in the administration of tribal relending programs. In fiscal 1985, $16 million will be loaned from the Revolving Fund for Loans.

Natural resource programs of the Bureau provide for the protection, inventory, development and management of Indian natural resources on the

52.2 million acres of lands under the trust responsibility of the Bureau of Indian Affairs.

The agricultural program provides technical assistance through 76 agency offices to 284 Indian reservations for protection and enhancement of 42 million acres of tribal farm and ranch lands. In fiscal 1985, it is estimated this program will assist 19,000 farmers, 11,300 ranchers, and provide 7,300 farm and ranch management plans.

In Alaska the agricultural program includes management of more than 20,000 reindeer grazing a land area of about six million acres. Agricultural assistance is provided 80 Alaska villages in four Agency areas where more than 2,000 individual and village gardening projects have been placed in operation. The goal is to provide an alternate food source for village members.

A roads maintenance program provides for the repair and maintenance of 25,600 miles of public roads serving Indian reservations. Of this amount, some 18,000 miles are graded and surfaced. The Bureau's program of roads construction was substantially increased, beginning in 1983, by the allocation of $375 million, over a four-year period, from the Department of Transportation under the Surface Transportation Act of 1982.

Bureau wildlife and parks programs will support 23 Indian fish hatchery facilities expected to produce and release some 70 million salmon and trout.

The irrigation and power operation and maintenance program assists entitled landowners to conserve water and to properly operate and maintain irrigation water delivery systems on 61 of 70 Indian irrigation projects. The other nine are projects where the assessments are fixed at a rate to return the full operation and maintenance cost. The 70 projects irrigate some 700,000 acres, with a gross crop value estimated in excess of $100 million.

In addition to these services made available to tribes, the Bureau also has an administrative division, responsible for providing staff services in support of the organization's management and mission. This housekeeping arm insures that the Bureau operates in accordance with the dictates of federal law and regulations. The division includes such activities as personnel, facility management, property and supply, safety and finance.

The Budget Process

THE BUREAU OF INDIAN AFFAIRS budget process is unique in the federal budgeting system in that it provides Indian tribes and Alaska Natives with an opportunity to help shape the Bureau request for funds by stating their priorities.

Using a base funding figure, tribes develop a detailed budget that expresses tribal preferences. This tribal budget allows for various options should the appropriation be higher or lower than the base figure.

In other words, tribes are given an opportunity to decide how they want the money spent if 80 percent of the base figure is appropriated, and they decide what they would do if 110 percent of the base figure is appropriated.

Tribes and agencies work closely together until budget priorities are established for funding and staffing packages. The budget then goes to the area offices for their input and is forwarded to Washington.

The opening of a new mall on the Navajo reservation attracts a crowd.

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Ken Smith, Assistant Secretary for Indian Affairs, signs a Department of Transportation working agreement for $375 million for reservation road construction.

It is important to note that priorities set by tribes in their portion of the budget process will not be changed by either the area or central office without consultation with the tribe. However, tribes may propose to reprogram funds when their priorities have changed following the actual appropriation.

With the tribal priorities in hand, the central office in Washington develops a Bureauwide plan for the fiscal year.

The Bureau of Indian Affairs, along with the other agencies in Interior, works with the Secretary to formulate the Interior budget package which must be kept within certain budget and staffing targets established by the Office of Management and Budget (OMB).

The budget is reviewed by OMB to insure the requested dollar amounts are within levels intended by the President's directives and economic assumptions for the budget year. At any point in the budget process, the President may decide to adjust the federal budget to reflect his national economic policies.

The President then sends the budget to Congress, where House and Senate authorizaton and appropriation committees take another close look at the figures. The Assistant Secretary is called to speak in support of the President's budget. Tribal leaders and others may testify for or against the President's proposals.

After the appropriation bill is drafted and differences between House and Senate versions are resolved, a final appropriation bill is passed by Congress. When approval action is taken by the President, the Bureau requests OMB to apportion all of the appropriated funds within the four quarters of the fiscal year. The Bureau then prepares allotments for all the funds which have been apportioned to the central, area, agency and tribal levels.

The Bureau of Indian Affairs has requested $928.7 million for its 1985 fiscal year programs and projects.

This includes $273 million for education; $212 million for Indian services, which includes law enforcement, social services and other governmental programs; $67 million for economic development and employment programs; $96 million for natural resources development; $47 million for trust responsibilities; $90 million for facilities management; $67 million for general administration, and $73 million for construction.

Another $100 million for reservation roads construction will be transferred to the Bureau from the Department of Transportation.

This Bureau of Indian Affairs appropriation request represents a $21 million increase over the fiscal 1984 appropriations.

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The terraced architecture of the Zuni reservation in 1879 seems more than a century apart form the modern, urbanized Seminole reservation in Tampa, Florida. The large building adjoining the parking lot is the tribe's bingo hall. In the foreground are tourist attractions, including a museum, replica village and alligator wrestling pit.

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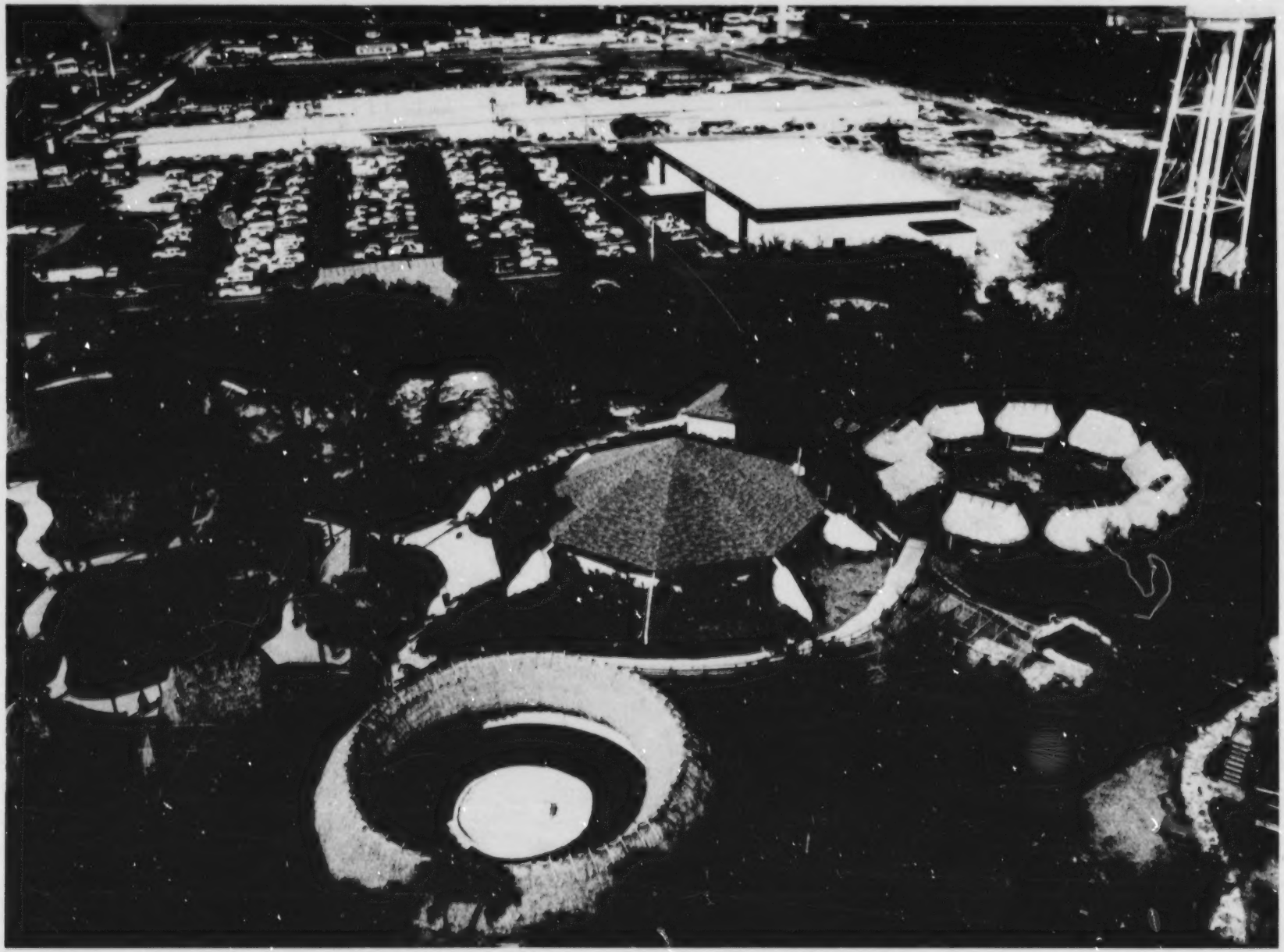

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The People:
Tribes and Reservations

America's Indians present an interesting paradox. On the one hand, they share a common bond and have common interests and problems. On the other hand, they are a study in diversity, separated by differences in language, customs and lifestyle. America's Indians lived in the woods, in the mountains, along rivers and streams, on mesas, in the desert, in the swamplands. They still do.

Tribal housing on the Upper Skagit reservation in Washington is attractive and pleasant.

DRIVING SOUTHWARD along U.S. Interstate 10, out of the mushrooming suburban communities that encircle the Phoenix, Arizona, metropolitan area, travelers come upon a roadside sign that reads: "Entering the Gila River Indian Reservation."

Arizonans, if they notice the sign at all, give it little thought. Their state, after all, has 20 Indian reservations and it is impossible to live in Arizona for any length of time without becoming familiar both with Indians and their tribal homelands.

With others, however, it is a different story.

To many visitors, driving across the Gila River Indian Reservation on a modern highway is not at all what they expected. Looking out the car window, the scenery does not change appreciably as you enter the reservation. Indeed, had the sign not been there, you probably wouldn't have known you were on an Indian reservation.

Perceptions may vary, but many people have an erroneous idea of just what an Indian reservation is. They may have a vague impression, perhaps something remembered from old footage of a western movie with John Wayne. Or, equally far-fetched, they may envision an Indian reservation as being similar to a military reserve, with fences and guards to keep tribal members from "escaping."

What they learn, on this journey through the midland of Arizona, is the day has long since passed when Indians were rounded up, sometimes by force, and confined to a parcel of reservation land. That happened many years ago, in another century.

Should the visitors continue south along the Interstate for some thirty-odd miles, they might exit the highway and travel a few miles east to the small town of Sacaton, Arizona. Sacaton is the center of government for the Gila River Pima-Maricopa Indian Community, which is the proper name for the tribe on this reservation.

Except for the Indian faces of the youngsters at play and, perhaps, the Pima men and women on their way to buy goods at a small shopping center, Sacaton could be mistaken for any small farming community in Iowa or Nebraska. The Valley National Bank, the state's largest financial institution, has a branch office here. There is a school and a post office and a laundromat.

The tribal offices are housed in an attractive, modern brick building whose architecture mirrors the southwestern lifestyle. Inside, the governor,

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who heads the tribal council, works with tribal planners, attorneys, and others in the conduct of tribal business. In the tribal chambers, debate and discussion is not that much different from that which takes place in the council chambers in downtown Phoenix.

Having driven through the Gila River Indian Reservation, having visited the tribal offices and seen the tribal officials at work, the visitors might think that, now, they know what Indian reservations are like, what Indian tribes are like.

They would be wrong.

What they learned was the way things are done on one reservation, not all reservations. What they saw was how one tribal council conducts its business, not all tribal councils. Although other tribes, other reservations may possess similar characteristics, there also are a multitude of differences that give each a singular identity.

Reservation Visitors

VISITING AN INDIAN RESERVATION can be an enlightening and educational experience.

Many tribes hold pow-wows, tribal fairs and other events which attract large crowds of visitors to their reservations. Other Indian communities have established successful tourism enterprises that generate much-needed money for tribal programs.

There are tribes, however, that view the non-Indian visitor with a degree of suspicion, fearful of any intrusion on their land, traditions and cultural values.

The point is: each tribe is different and each may have a different attitude toward outsiders who come on their reservation.

Many people have asked if there are special rules of conduct to be followed while visiting an Indian reservation. The rules are simple: you will be a guest on Indian-owned lands. The usual courtesies of a guest-host relationship should be your guide.

When visiting an Indian reservation, it is always a good idea to first visit the tribal headquarters and inquire if there are any special conditions or prohibitions to be followed.

Some tribes, such as the Hopi in northern Arizona, have areas of their reservation where picture-taking is prohibited. If visitors intend to take pictures or make a film on any reservation, permission should first be obtained from the proper tribal authorities.

Across the United States, most Indian tribes will welcome visitors who are interested in discovering for themselves how modern day Indians live.

Uppermost in the minds of these visitors, however, should be the fact that Indian lands are owned by Indians. When you attend events on reservations or merely visit them, you are a guest of the Indians and should act accordingly.

Defining an Indian Tribe

WHAT IS AN INDIAN tribe?

Before anything else, an Indian tribe is a cultural entity. Formed by a common history that often stretches back too far to measure, it is a group that shares the same race, religion, language, traditions and values. And of this listing, the last item is probably the most important.

What culture really means is that, as a result of sharing ways of life and experiences, the members of the group have common values. They look at the world in the same way and regard the same things as important. They make similar judgments and have a common definition of right and wrong.

The term "cultural entity" is a little vague and sometimes difficult to define. We might say, for example, that a single Hopi Indian village in Arizona is a "culture," different from other Hopi villages. Or we might say that all the Hopi people are a "culture," different from the Navajo. Perhaps we

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might step back even further and say the Hopi and the Navajo together are a "culture," different from non-Indians. There are many ways to define a cultural entity.

Each Indian group is different from the other But Indians share a common bond which includes such personal characteristics as a spiritual attachment to the land; sharing with others; a lack of materialism; a belief that a supernatural power exists in all objects, animate and inanimate, and a desire to remain Indian and to retain their culture and language.

But Indian tribes are something more than cultural entities. They also are political entities, and this makes them special.

When members of other cultural entities in the United States have dealings with the federal government, they are seen as individuals dealing with a political entity. When a tribe has dealings with the United States, two political entities stand face-to-face and come to terms. Individual Indians are treated the way they are because they are members of a political entity, the tribe.

Thus we can define the term quite precisely: a political entity is a group of people living within a certain territory under a government that has some sovereignty. Federally-recognized Indian tribes fall within this definition.

Federal recognition can mean a tribe has been acknowledged to have a government-to-government relationship with the United States. Federally-recognized tribes are eligible to receive services from the Bureau of Indian Affairs and other federal agencies. Such recognition also may mean certain lands and natural resources of tribes fall under the dictates of the trust responsibility.

Congress, which may terminate tribes from federal recognition, may likewise restore tribes to the rolls and does so on occasion.

The Secretary of the Interior also may restore tribes to the rolls through the Department's federal acknowledgment process. An evaluation of each petition for recognition is made and a determination is handed down stipulating whether or not the group or band meets the criteria to be recognized as a federal tribe.

In April, 1984, there were 291 federally-recognized tribes in the United States. In addition, 197 Alaska village communities boast the same designation.

In a 1977 report to Congress, the American Indian Policy Review Commission listed 133 unacknowledged groups. Other estimates range as high as 250 in the lower 48 states. Many of these still may not want to establish an acknowledged relationship with the government and there may be a substantial number seeking acknowledgement who will not meet the criteria established by the Department.

Some tribes, such as the Lumbee of North Carolina, a large tribe with many prominent members, have never had any relationship with the U.S. government.

Forms of Tribal Governments

Leaders of most tribes are called "chairmen." However, as noted previously, some are called "governor," and still others are called "president."

Most tribal governing bodies are called "councils," but there is varying terminology and some are called "business committee," or "general council" or "executive committee."

As far as internal matters are concerned, tribes are self-governing. Unless specifically limited by treaty or act of Congress, Indian self-government generally includes the following areas:

- The right to adopt and operate under a form of government of their own choosing.
- The right to determine the requirements for membership.
- The right to regulate domestic relations of its members.
- The right to control the methods used in enacting municipal legislation.
- The right to administer justice.
- The right to levy taxes.
- The right to regulate the use of property within the territorial jurisdiction of the tribe.

Many tribes that have never been acknowledged have maintained some form of government and tribal customs.

Some recognized tribes still have traditional forms of government. One such tribe is the Jemez Pueblo of New Mexico, which functions as a theocracy with the religious leaders of the community selecting the pueblo's governor on a yearly basis. There are other New Mexico pueblos that operate their governments on a somewhat traditional basis.

The present governments of many Indian tribes date back to the Indian Reorganization Act of 1934 (Wheeler-Howard Act) and have tribal constitutions patterned after the U.S. Constitution. Some tribes were organized under the IRA and are called "IRA tribes," but have no constitutions.

The Eastern Band of Cherokees of North Carolina is an example of combining the old with the new. The Cherokees had a government and a tribal constitution before the IRA was passed; then they were organized under the IRA. Now they are working on a more modern constitution which will be submitted to the electorate in a referendum vote. If approved, it will go the Secretary of Interior for his approval.

Most of the Oklahoma and Kansas tribes, with the exception of the Osage, were excluded from the Indian Reorganization Act because they had no reservation lands. These tribes were organized

under the Oklahoma Indian Welfare Act of 1936. The Osage were excluded from organizing under this act because they were operating under a special congressional act of 1906.

Each of the four main groups of Creeks in Oklahoma, which form today's Creek Confederacy, has a tribal council with its seat of government at Okmulgee, Oklahoma. In 1970, Congress passed a law giving the Creeks and the other four Civilized Tribes of Oklahoma the right to popularly elect their principal officers. While the other four tribes designate their officers as "principal chiefs," the Chickasaws call their top official "governor."

Most tribal officials are elected for either two or four-year terms, along with the tribe's legislative body.

The Navajo Tribe, which has the country's largest governing body, has an 87-member tribal council elected every four years by popular vote of the electorate in 109 local Navajo chapters on the reservation. The chairman and vice chairman, who run as a team, are elected for corresponding terms. Either the chairman or the vice chairman is the presiding officer at meetings of the council, which meets four times annually, its sessions in accord with the seasons of the year.

Reservation Homelands

AN INDIAN RESERVATION is a specific area of land which has been reserved, set aside or acquired for the occupancy and use of an indian tribe.

Throughout American history, Indian reservations have been created for several purposes. Initially, they were created to reduce the land area used by Indians. Later many reservations were set up as sites for the relocation of Indian tribes being moved westward to make room for the white settlers.

In some cases, reservations were designated as places for the confinement of Indians who resisted the westward expansion of the non-Indian. Many reservations were set aside as a place of sanctuary to protect Indians from non-Indians or from more aggressive tribes.

Most of the recent reservations have been acquired or set aside as a base for economic development or to provide housing sites for landless Indians.

The earliest reservations were created by treaties. Later many were set up by executive orders issued by the President. A large number have been designated by acts of Congress. Treaty reservations all predate 1871, at which time Congress prohibited further treaties with Indian tribes.

Some reservations were created by a combination of these methods.

The power to set up executive order reservations was ended by Congress in 1919. Now, a reservation can be created—or expanded—by a specific act of Congress or by the Secretary of the Interior, acting under the authority of the Indian Reorganization Act of 1934.

Though Indian tribes have governmental responsibilities and authorities on reservations, land on reservations can be owned by non-Indians. Many reservations do consist entirely of tribal land, but others have mixed ownership. In some instances,

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Congress opened reservation land areas to settlement by non-Indians and, in others, reservation land allotted to individual Indians was later conveyed to non-Indians.

It is fairly common for the federal government to own some land on a reservation. Reservation land might also be owned by the state, or a political subdivision, a corporaton or any private person.

The title to much of the Indian land existing today is held by the United States government as trustee for an Indian group, an individual Indian, or several individual Indians. Most individually owned trust land resulted directly or indirectly from the allotment process.

The responsibilities which this trusteeship puts on the federal government are generally those specified by Congress in a complex pattern of laws as they are interpreted and applied by the executive branch of government and, more significantly, by the courts.

The question of who has jurisdiction on an Indian reservation is complicated and not easily answered in a few words. In general, several different governmental bodies may have jurisdiction for various purposes. Sometimes the jurisdiction may overlap. Also, a distinction needs to be made between jurisdiction over an area (territorial jurisdiction), jurisdiction over people, and jurisdiction for certain legal purposes, i.e., subject matter jurisdiction.

Indian tribes have all the elements of jurisdiction as an attribute of their sovereignty except insofar as that jurisdiction has been limited by Congress. Often, jurisdictional issues are argued in the courts. A 1978 Supreme Court decision, *Oliphant v. Suquamish Indian Tribe*, held that Indian tribal courts do not have inherent criminal jurisdiction to try and punish non-Indians, and may not assume such jurisdiction unless specifically authorized by Congress.

Public Law 280 is a 1953 act of Congress which

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conferred jurisdiction on certain states over criminal offenses and civil causes of action committed or arising on Indian reservations.

An Indian may use allotted or fee land that belongs to him without getting approval from the Bureau of Indian Affairs or any other governmental agency. Tribal land is frequently used by members under so-called "assignments" without the necessity for any approval except from the tribe itself.

If an Indian desires to convey an interest in his land or encumber it or if he desires to exploit nonrenewable resources, such as minerals, he usually must have the approval of the Secretary of Interior.

There is statutory authority for individual Indians to sell their trust land. This can only be done with Secretarial approval and a finding must be made that the sale is in the owner's best interest.

Indians must obtain approval for most leases and all sales because Congress has imposed this requirement. Its purpose is to prevent people from taking advantage of the Indian and cheating him out of his land. In the approval process, the Bureau is required to determine that the lease or sale is fair to the Indian and is authorized by law.

Not all federally-recognized tribes have reservations. Oklahoma has no reservations, but it has 1,207,573 acres of tribal trust land and individual allotted lands held in trust by the U.S. government.

Alaska's one reservation, the Annette Islands Reserve, is located on the southern tip of the Alaska panhandle. The 1,100 natives of the Annette Islands Reserve are Tlingits, Haidas and Tsimsian. They elected to remain a reservation when other Alaska Native reservations were abolished with the passage of the Alaska Native Claims Settlement Act in 1971.

Indian reservations come in every shape and size, ranging from a rancheria in California with less than one acre to thousands and even millions of acres.

Population

ACCORDING TO THE 1980 CENSUS, there are 1,418,195 American Indians, Eskimos and Aleuts in the United States, a 71 percent increase over the 1971 total of 827,268.

The U.S. Census Bureau attributed this increase to improved census-taking methods and the greater likelihood that in 1980 people would identify themselves as Indians.

At that, the total may be too low. Many tribes complained they were undercounted in the 1980 census. Estimates on the number of Indians in the United States range as high as two million.

In any case, Indians are perhaps the fastest-growing ethnic group in the country. The median age is 18, which indicates a young population.

California, the most populous state, not surprisingly had the most Indians, a total of 201,311, according to the Census Bureau. The next most populous state was Oklahoma, with 169,464, followed by Arizona, with 152,857, and New Mexico, with 104,777. These were the only states with Indian populations over 100,000.

Bureau of Indian Affairs population estimates differ from those of the Census Bureau because the BIA count includes only those Indians and Alaska Natives who are members of federally-recognized tribes and who live on or near reservations or other lands categorized as "Indian Country."

Kiowa women, who are veterans, were honored during the annual Black Leggings Pow-Wow held at Anadarko, Oklahoma.

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The Bureau of Indian Affairs estimates its service population at 755,201, according to January, 1983, population figures. Of this total, Oklahoma ranks first, with 159,852, Arizona second with 154,818, and New Mexico third with 105,973 Indians. These figures generally do not include urban Indians who have left the reservations.

There are more than 70 tribes with fewer than 100 members and at last report, one band in California—the Cuyapaipi—had only two members.

According to the Census Bureau, there are almost as many Indians living in urban areas as on reservations.

With the possible exception of higher education scholarship funds and some employment assistance, urban Indians receive few services from the Bureau of Indian Affairs. Just as other citizens, they do receive services from other federal agencies, if eligible.

The Indian population of Los Angeles is estimated at 70,000. Many of these Indians moved there as a result of the Bureau of Indian Affairs relocation programs of the 1950s and 1960s. Many Indians, both men and women, have good jobs with industry in urban areas, particularly in the aerospace industry. A new generation of Indians are attending colleges and universities and choosing professional fields of work in urban areas.

The scarcity of available jobs on Indian reservations has led many Indians to cities in search of work. Metropolitan areas such as New York, Chicago, Minneapolis-St. Paul, San Francisco-Oakland, Los Angeles, Seattle, Dallas, Phoenix, Denver, Salt Lake City and Albuquerque have substantial Indian populations.

In recent years, there also has been a movement of young Indians who received their education at colleges and universities back to their reservations. These Indians are dedicated to using the skills they have acquired to benefit their tribes and many are assuming leadership roles within tribal governments.

Alaska's Aboriginals

ALASKA NATIVES, THE COLLECTIVE name for the 70,000 Eskimo, Indian and Aleut aboriginal people who live in our northernmost state, do not live in ice-block houses as popularly imagined.

While they may still live a subsistence lifestyle, many live in homes which could be placed anywhere in contemporary America. Frame, oil-heated homes with indoor plumbing are typical residences, whether it be a rural community or metropolitan Anchorage or Fairbanks.

In addition to the major cities, Alaska Natives live in more than 240 Native villages. They are found in Kaktovik and Barrow on the Arctic Ocean coast; in Atka and Akutan on islands in the Aleutians; on the Pribilof Islands of St. Paul and St. George in the Bering Sea; in the tundra communities of Tuntutuliak and Mountain Village on the Yukon and Kuskokwim River deltas, and in forested communities such as Hydaburg and Angoon in the southeast panhandle area.

Bureau of Indian Affairs activities in Alaska began in 1884 when the Secretary of the Interior, under the territory's First Organic Act, was made responsible for education.

Sheldon Jackson, a Presbyterian missionary, was appointed General Agent for Education in 1884.

In the 1890s, Jackson purchased and had shipped to the northwest coast a herd of Siberian reindeer. He expected the animals to provide an alternate food source and a cash "crop."

Jackson's original herd was few in number, but today there are more than 20,000 animals in about 20 herds in such varied locations as Atka in the Aleutians, Nunivak and Hagemeister Islands, and the Seward Peninsula. Sales of reindeer products for cash have included the horns as well as the hides. The meat has been sold as well as processed for personal consumption.

Reindeer also provided work in an area of severe unemployment in 1983 and 1984. Jobs Bill funds were used for construction of reindeer corrals on the Seward Peninsula. Most of the money was used for wages, since available driftwood constituted the raw materials.

The Bureau of Indian Affairs role in Alaska is continually changing. Where the Bureau once provided almost all direct services, a growing state government is expanding its delivery systems. Bureau services, designed for delivery on reservations in the contiguous United States, are available to each Alaska Native. However, where Bureau activities have been duplicative of state efforts, the Bureau defers to the state. One example is in education.

At one time the Bureau operated 137 day schools and three boarding schools in Alaska. In the early 1960s, however, as the state education system matured, the Bureau entered an agreement with the state to gradually turn schools over to the state system. In 1982 the Bureau operated 37 village schools and one boarding high school, Mt. Edgecumbe at Sitka. At the end of that school year, 17 of the village schools were transferred to the state system. Congress then directed, in the 1983 appropriation bill, that Mt. Edgecumbe be closed or transferred to the state in 1983 and that the remaining 20 village schools be transferred to the state before the 1985-86 school year.

The Settlement Act

A profound change in the Alaska scene has occurred as a result of the Alaska Native Claims Settlement Act, passed in 1971. The act, called ANCSA, settled a variety of Native claims by providing for transfer to the Natives of 44 million acres of land and almost $1 billion.

Thirteen regional and more than 200 village Native corporations were created to receive and administer tribal lands and funds for eligible Alaska Native shareholders. These village corporations also provide a vehicle for contracting services on behalf of village residents from both state and federal programs.

ANCSA set aside two million acres of land to be conveyed to Alaska Natives in various other categories. The Bureau has been active in the past few years locating and identifying cemetery sites and historic places, traditional lands used by Native groups, and Native primary places of residence. A total of 500,000 acres can be conveyed to Natives in these categories. In all cases, once the Bureau of Indian Affairs has completed its work, another Interior Department agency, the Bureau of Land Management, completes necessary surveys and conveyance documents.

Individual Natives have, since 1906, been eligible to apply for 160-acre allotments of land. Although few applications were processed before the mid-1970s, there has been considerable effort to identify and complete processing on all allotment applications filed before the 1971 deadline.

By the end of 1983, about 640 individual allotments, representing some 67,000 acres, had been conveyed to Alaska Natives or their heirs. Remaining to be completed are about 8,500 applications representing 1.3 million acres.

Distance and remoteness take on new meaning in Alaska. There is no statewide network of roads.

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Access to most Native communities is only by air or water. Living in rural Alaska sometimes requires innovation and a helping hand. For many coastal villages that helping hand has been a succession of ships named North Star.

The vessels earned the nickname "Lifeline of the Arctic" by providing assured delivery of life-sustaining and essential goods to communities where commercial service was not assured. The current ship, North Star III, entered Alaska resupply service in 1962. In past years the ship has made two trips each season visiting more than 50 villages from the Aleutian Islands to Barrow on the Arctic Ocean coast.

Passage of the Alaska Native Claims Settlement Act in 1971 gained for the Natives a land base and a start at business experience. Passage of the Indian Self-Determination and Education Assistance Act in 1975 created a means for greater Native control and decision-making in those activities that affect them.

Though Alaska Native village groups are included in the Bureau of Indian Affairs' listing of federally recognized tribes, there have been uncertainties—especially since the passage of the Settlement Act—about relations of the villages with the state and federal governments.

Interior Secretary William Clark said in May, 1984, while visiting Alaska, that the traditional village councils could not create sovereign reservations in Alaska by taking title to Native corporation lands.

Today, Native groups have contracted all programs in two of Alaska's five agency areas. In the other three, most of the major programs are under contract to native groups. As Alaska Natives become capable and develop a greater role in their own affairs, Bureau activities are expected to become more and more a contract monitoring function rather than direct delivery of services.

On the back wall of the small village church at Arctic Village, Alaska, is posted the prayer: "Dear God, help me to get good logs to build a good strong house, Amen." The Alaska Natives (right) have a unique design for their drums.

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The Future: *Indian Economic Development*

I believe in the strengths of Indian people which have enabled them to endure times of adversity and oppression unparalleled in history. I believe Indian people have the will and ability to self-govern and exercise wisely their sovereign powers. I believe the fulfillment of the hopes and aspirations of Indian people and their tribal governments must come from within—from their own will and determination. I believe Indian people and their tribal governments—not the federal government—have the prime responsibility for improvement of their social and economic growth and development.

—Assistant Secretary Kenneth Smith

WHEN PRESIDENT RONALD REAGAN set forth his American Indian policy statement in January, 1983, he challenged Indian leaders, themselves, to broaden the horizons of their future.

Reagan's policy statement, the first to be articulated by a chief executive in 13 years, asked tribes to seek real economic development, to build on private investments and profit-making industries, and to forego a system of government handouts and make-work programs.

While the President's words caused apprehension on the part of some tribal leaders—they were, after all, only too familiar with the failed panaceas of the past—others in the Indian community saw the proposal as an opportunity to invest their efforts and resources to build for their own future—rather than sitting back and waiting for the federal government to do it.

Kenneth L. Smith, the Wasco Indian who is Assistant Secretary for Indian Affairs, offered this perspective:

"It's understandable that tribal leaders have doubts and fears. The economic problems on Indian reservations are complex, diverse and severe. There clearly cannot be a single, simple solution. We can be certain, however, that President Reagan's approach has a much greater chance of success than the proven failures of the past. We know paternalism and Indian tribal dependency won't work. We know that from the experience of 200 years."

Scattered throughout Indian Country, there are tribal leaders echoing the same sentiments.

Prosperity is not a stranger to the Mescalero Apache Tribe in New Mexico. The tribe has bragging rights to a multi-millon dollar logging and cattle business, the southernmost ski operation in the U.S., and a $22 million luxury resort on its reservation. What's more, reservation residents have decent housing—and jobs if they want them.

When a magazine writer approached tribal president Wendell Chino and compared the modern Apache with those who have gone before, Chino agreed that times, indeed, have changed since the days of Cochise and Geronimo. "But the Apaches," he added, "still are tough and independent and we are determined to make progress on our own."

Although Assistant Secretary Smith now finds himself spending long workdays rubbing elbows with the Washington bureaucracy—a circumstance some Indians view with a measure of distrust even though they know it goes with the territory—his background more than qualifies him to speak on developing economies on Indian reservations. Prior to accepting the top Indian affairs post, Smith spent 22 years working to build successful, profitable enterprises on his own Warm Springs reservation in Oregon.

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The record of Smith's tribe is impressive. The most recent development at Warm Springs, made possible because the tribe accumulated primary funding, is a $30 million hydroelectric plant, dedicated in 1982, which is expected to return to the tribe an annual net income of about $4 million. Warm Springs tribal enterprises employ more than 1,000 persons and have an annual payroll exceeding $16 million. The reservation has a population of about 2,500 members.

The hard truth, however, is Warm Springs and reservations like it are exceptions. No one has to tell Smith of the terrible statistics on unemployment—estimated nationally at 39 percent—and poverty on Indian reservations. He is aware of the lack of resources on some reservations and the difficulties tribes have in attracting industry to their reservations.

Yet, in any conversation, Smith will tell you he is optimistic about the future of the American Indian.

Smith has said the accomplishments of Indian tribes in governing themselves and solving economic problems must be viewed in the perspective of history. It has only been in the last decade or so that Indians have had the opportunity to manage their own affairs under a meaningful self-determination policy.

Says Smith: "I think Indian tribes can find ways to use their resources more effectively and to solve their problems. It seems to me, for one thing, that a substantial amount of federal funding in the past has not been helpful. Money has been wasted in programs that were not well thought out, not integrated into any reservation plan, and, consequently, had no lasting effect.

"Tribal governments now are challenged to come up with better ideas, better planning and better management," Smith said. "Their enterprises and development should be worth the investment of tribal capital and sound enough to attract funding from the private sector."

Obstacles to Economic Development

Indian reservations are affected by many of the same factors that affect the economies of other areas. Natural resources—timber, water, oil and gas, rich agricultural soil—can play a critical role in the development of economic growth.

But there are other factors unique to Indian reservations. The trust status of the land, the sovereign immunity of the tribe, the tribal government and the way it operates, jurisdictional questions—all these can have an effect on the success or failure of a tribal economy.

The role of tribal government, obviously, is paramount.

It is tribal government that must create the climate for economic development. It is crucial that tribal government have stability and continuity. Only through stability and continuity can a tribe implement long range plans. A tribe torn by internal factions that cannot work together or one that has an entirely new tribal government every two years will not have economic success.

The role of a tribal government in bringing about economic health usually is more difficult than its counterpart in a city or county off the reservation. A tribal government frequently is the developer, manager and operator of tribal enterprises in addition to providing the normal governmental services within the boundaries of the reservation.

A 1983 study of Indian economic development issues observed that "both of these capabilities are largely undeveloped for the great majority of tribes. That is, their governmental power to regulate and tax economic activities on the reservation is largely unexercised and their ownership interests are generally delegated through leases and other types of agreements to non-Indian business interests."

In meetings with Indian leaders, Assistant Secretary Smith repeatedly has stressed that the first requirement for economic development on any reservation is a strong stable tribal government. He also says the governing role should be kept separate from the management of tribal enterprises—that is, tribal politics kept apart from tribal businesses.

Tribal governments also have responsibility for attracting private investors and entrepreneurs to the reservation. Primarily, this means allaying the fears of potential investors of real or apparent risks stemming from unique conditions on the reservation.

For example, if an investor is concerned about the lack of legal recourse in dealing with the tribe because of its sovereign immunity, the tribe might consider waiving its immunity. If businessmen are concerned they may have to go into tribal courts, the tribes must work to build confidence in the competence and impartiality of the tribal courts.

The trust status of Indian land is both a disadvantage and an advantage. The fact that it cannot be financially leveraged by mortgages or otherwise used as security for credit financing decreases the ability of Indian tribes and individuals to develop capital. On the other hand, tax exemptions, applying both to property taxes and income derived from trust resources, represents a significant advantage.

One distinction of a strong tribal government is its ability to influence tribal members to forego the immediate distribution of tribal funds so capital for tribal projects and programs can be accumulated. Legislation governing judgment awards made by the Indian Claims Commission and the Court of Claims require tribes to use at least 20 percent for tribal programs and projects and to distribute no more than 80 percent to tribal members on a per capita basis. Some tribes have used judgment fund awards totally as a capital base for tribal economic development, with no immediate per capita distribution.

In testimony before Congress, Assistant Secretary Smith has recommended increasing the required amount for tribal projects to at least 50 percent.

Presidential Commission on Indian Reservation Economies

One action announced by President Reagan in his 1983 Indian policy statement was the creation of a Presidential Commisson on Reservation Economies.

Recognizing that the problems faced by Indian tribes are varied, the commission's charter calls for it to conduct hearings at field sites throughout the country and confer with Indian tribal government officials and managers. It also will review past studies dealing with reservation economies. The commission will advise the President both on steps to lessen tribal dependence on federal monies and programs, and ways to strengthen private sector investments on the reservations.

The nine commission members appointed by the White House include six Indian businessmen and three non-Indians. Co-chairmen are Ross Swimmer, principal chief of the Cherokee Tribe in Oklahoma and president of the First National Bank of Tahlequah, Oklahoma, and Robert Robertson, vice president of the Occidental International Corporation, Washington, D.C.

The commission planned to complete regional field hearings by June, 1984, and to submit its final report to the President by November 30, 1984.

Bureau of Indian Affairs Financing Programs

DIFFICULTIES TRIBES ENCOUNTER in seeking capital financing through conventional commercial routes are offset, in part, by three federal programs administered by the Bureau of Indian Affairs: 1) a revolving loan fund, 2) a loan guaranty program, and 3) an economic development "seed money" program.

The revolving loan fund program was inaugurated by the Indian Reorganization Act of 1934 and enlarged and solidified by the Indian Financing Act of 1974 (Public Law 93-262).

The fund provides a source of financing for Indians who cannot borrow from other government credit agencies or from ordinary commercial lenders. Loans are made to tribes, Indian organizations and individual Indians for any purpose that will promote economic development on Indian reservations. Loans also are made to tribes and Indian organizations for relending to individual Indians and groups of Indians.

As of September 30, 1983, outstanding loans totalled $85.5 million.

Since the beginning of the program, $163.2 million has been loaned with a repayment loss ratio of less than five percent. The interest charged is determined by the U.S. Treasury and is lower than the commercial rates commonly available. Interest payments from the program have brought in $38.6 million for direct deposit to the U.S. Treasury.

The loan guaranty program, initiated under the 1974 Indian Financing Act, provides access to private lenders through guaranteeing or insuring loans made to Indian tribes, organizations or individuals for economic development purposes. A total of $45 million has been appropriated for this program.

In addition to guaranteeing the loans, the program provides an interest subsidy which pays the difference between the private lender's interest rate and that charged by the Treasury for revolving fund loans.

By the end of fiscal 1983, 141 loans totalling $117.2 million had been guaranteed. Of these, 44 were to Indian tribes, 39 to Indian-owned corporations and 58 to Indian individuals.

The Navajo Tribe, whose reservation encompasses some 25,000 square miles in Arizona, New Mexico and Utah, recently used the guaranteed loan program to help refinance its large Navajo Agricultural Products Industry. On December 30, 1983, the tribe announced it had borrowed $37.5 million from the First Interstate Bank of Arizona for its farming operations on tribal land. About $18 million of the loan was backed by the Bureau program.

Tribal officials said the new loan, which refinanced several older loans with a different bank,

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would save the tribe $330,000 per year in financing costs and would allow the tribe to expand and improve its operations.

The Navajo agricultural operation covers 44,000 acres of irrigated land and employs 450 tribal members. Gross sales of crops in 1983 totalled $18 million in alfalfa, corn, wheat, beans and potatoes.

Both the revolving loan fund program and the guaranteed loan program have been used to provide major support for various Native enterprises in Alaska. Loan guarantees have helped Alaska Native corporations, established under provisions of the Alaska Native Claims Settlement Act, to build the Anchorage Sheraton Hotel with a $19.5 million loan guarantee, and the Westward Hilton in Anchorage and the Shee Atika Lodge in Sitka, with guaranteed loans of $7 million.

The Bureau also has provided direct loans of $4 million to the Shee Atika Native Corporation for timber resource development; $2.25 million to the Central Council Tlingit and Haida Indians for construction of an office building, and $500,000 to the Alaska Native Industries Cooperative Association, Inc., for a village fuel loan relending program.

A $500,000 expansion of the Cherokee Gardens was initiated in 1983.

At the end of fiscal 1983, reports showed $31 million had been provided through the revolving loan fund to Alaska Native corporations and individuals. Over the years, most village store operations have used Bureau loan funds to purchase buildings, equipment or supplies. The Bureau's program also has helped nurture utility companies in many rural villages.

A direct loan of $550,000 enabled Indian steelworkers from the St. Regis Mohawk Tribe of New York to begin the American Mohawk Erectors and Riggers Corporation. The company, which employs from 25 to 55 persons, had contract work exceeding $1.5 million in progress in June, 1983.

Other enterprises started with Bureau financing assistance include:

- a rocket test site facility constructed by the Skull Valley Band of Goshute Indians in Utah with a $1.7 million loan and leased back to the U.S. government for testing of the Hercules rocket;
- a meat processing company backed with an $85,000 loan guarantee for Robert Rowell, a Kiowa tribal member honored as one of five National Minority Businessmen of the Year in 1983;
- a rental housing project constructed by the Shoshone Paiute Tribe in Nevada with a $180,000 direct loan, and
- a reservation trading post funded with a $400,000 direct loan to the Shoshone-Bannock Tribes of Fort Hall, Idaho.

The 1974 Indian Financing Act also authorized an Indian Business Development program which provided grants to Indian organizations or individuals to begin or expand enterprises expected to have a beneficial effect on the economy of a reservation or Indian Country area.

Though it helped hundreds of small businesses to get started—or allowed Indians to purchase reservation businesses from non-Indian owners—funding to continue the program was not authorized after the first three years.

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This program had serious flaws. It did not require applicants to make any investment of their own money or to have any experience or background in the business to be funded. A person could get a grant and a Small Business Administration loan and suddenly be in business—until the money ran out.

In 1982 Assistant Secretary Smith asked for funds to support a new economic development initiative which contained the extraordinary requirement that at least 75 percent of the funding for a project come from non-federal sources. The Assistant Secretary asked for $10 million initial funding for the program for fiscal 1983.

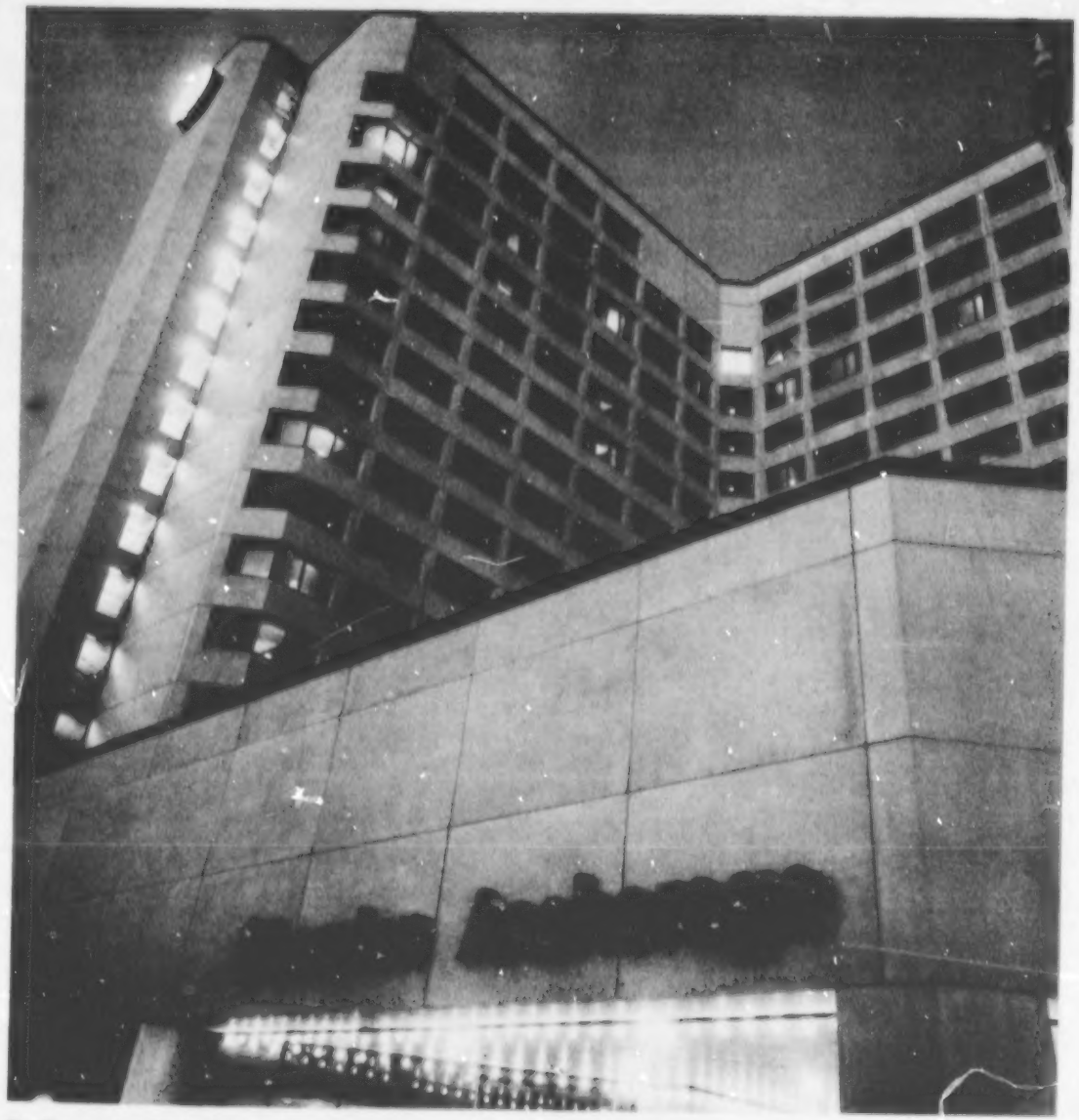
In justifying this budget request, Smith argued that "there have been more than enough government-funded economic development projects that were quick fixes that didn't really fix anything. Now we need to be concerned about developing enterprises that make money rather than enterprises that use up money."

Smith's program was based on the concept that real economic development could occur only through solid, bankable projects that were sound enough to attract private investors.

Applications for the program had to include a business plan, background informaton on the proposed management, and what the other sources of funding would be. A special panel of business persons was assigned to review and rate the applications. Successful applicants would receive grants ranging from a $25,000 minimum to a maximum of $500,000.

Congress reduced the $10 million budget request in 1983 to $5 million because it was thought that not many tribes would try to meet the stiff eligibility criteria.

In 1983, the first year of funding, the Bureau received 47 applications from tribal groups requesting



The Sheraton hotel in Anchorage, Alaska is owned by ar Alaska Native regional corporation, established under the Alaska Native Claims Settlement Act of 1971.

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$13.3 million for projects which would cost, in total, more than $106 million. Of these, the Bureau was able to fund 21 projects requiring total funding of almost $25 million. Thus, more than $19 million would come from non-federal sources.

Although 1983 applicants were still eligible for funding in 1984—together with those submitting new applications—the Bureau again received only half of the $10 million requested for 1984. The Bureau repeated its request for $10 million in its fiscal 1985 budget request.

Economic Development Grants Awarded

The Jicarilla Apache Tribe in New Mexico received a $500,000 grant to develop and operate a motel complex consisting of 40 guest rooms, restaurant, lounge and giftshop on a five-acre site on the reservation. A private investor will provide $300,000 and the tribe the balance of $1.2 million. At full operation, the motel will provide employment for 39 persons.

The Makah Tribe at Neah Bay, Washington, received a grant of $65,000 to purchase additional equipment for a sand and gravel enterprise. A $1?0,000 loan from a local bank and $85,000 from the tribe provided the balance of the money for the expansion, triggered by a $1.2 million contract won by the tribe to supply concrete for a state prison facility.

The Crow Creek Tribe of South Dakota was given a grant of $187,500 towards a $750,000 project that will construct a maintenance building and grain storage facility to improve and expand its farm operations. The tribe arranged a bank loan for $375,000 and provided another $187,000 in land.

Other projects approved for grants, all with at least 75 percent of the total costs coming from non-federal sources, included:

Skokomish Tribe, Washington, $25,000 to purchase materials and supplies for a new tribal restaurant; Cherokee Nation, Oklahoma, $125,000 to expand the horticultural enterprise of the tribe: Shoshone and Bannock Tribes, Idaho, $120,000 to install diesel tanks and pumps at a tribal gas station and make other improvements to a commercial complex; Navajo Tribe, Arizona, $385,666 for a potato processing and storage facility and equipment; Lummi Tribe, Washington, $500,000 to purchase a marina and related shops; Kuskokwim Alaska Native Corporation, $500,000 for purchase of equipment to operate a barge line on the Kuskokwim River, and Pojoaque Pueblo, New Mexico, $68,900 for the opening of a grocery store on the reservation.

Other BIA Programs Help Reservation Economies

Other Bureau of Indian Affairs regular programs have had substantial effects on reservation economies.

All of the funds designated for natural resources development—$92.6 million in 1984 to be used in forestry, agricultural programs, and the development of mineral resources—have a direct impact on tribal economies. So does the $26.3 million allocated for employment development programs and the $5.5 million for business enterprise development.

Construction programs, almost $183 million in 1984, bring money and jobs to the reservations. They also help build the needed economic infrastructures of roads, housing, irrigation projects and other facilities.

Deputy Assistant Secretary John Fritz, a Cherokee, congratulates Sam Rowell, a Kiowa who was one of five persons given a National Minority Business Person of the Year award. Rowell owns a meat processing company.

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The protection of Indian rights and the real estate and financial trust services provided by the Bureau's office of trust responsibilities at least indirectly affect tribal economies—and sometimes have a dramatic and immediate impact when a tribe receives a large judgment award.

The Papago Tribe in southern Arizona offers a good example of economic development through creative use of routine program funds. It used a tribal skill center and job training funds, together with some housing construction money, to build a successful tribal constructon company. Starting with only three employees in April of 1982, the tribe combined training with work opportunities. The company moved from constructing individual housing units to building an $800,000 shopping center and a $3.3 million school. At the end of fiscal 1983, the company had more than 100 employees, including 35 trainees.

Development without Natural Resources

Assistant Secretary Smith is fond of recalling an encounter he had with a writer who was working on a series of articles about American Indians. The writer obviously had become very pessimistic about gains made by tribes in the area of economic development.

He did acknowledge he had been to the Choctaw reservation in Mississippi, where the tribe—about 4,900 members—had created almost a thousand jobs through three successful tribal enterprises. The writer admired what the Choctaws had done, but said it didn't prove anything. "That was done," he said, "because the tribe had extraordinary leadership."

"Exactly," Smith replied, "and I am convinced that more and more tribes will be benefiting from similar good leadership in the future.

"The Choctaws do not have oil or gas, timber, coal, resort attractions or even particularly rich lands. They have succeeded in bringing industry to their reservation because the tribal leaders have been intelligent, creative and industrious."

In addition to a construction company, established in 1969, the tribe began the Chahta Enterprise in 1979 to produce automotive instrument wiring for General Motors cars and trucks.

In 1981 the tribe completed arrangements to fund a new greeting cards industry, a joint venture with the American Greetings Corporation, through state industrial revenue bonds. This is the first business on an Indian reservation to receive funding through state bonds. The unique funding plan was built on good relations and cooperation between the tribe, its neighboring community of Philadelphia, Mississippi, and the state.

The tribe doubled the capacity of its wire harness plant in 1983, enabling the company to perform all facets of cable assembly manufacturing and to broaden its market possibilities. In its first years, the company prospered, even though the American automobile industry was in a deep recession. Chahta Enterprise recorded the lowest rejection rate of any Packard Electric (a General Motors subsidiary) dedicated suppliers.

On October 1, 1983, Choctaw tribal chairman Phillip Martin was presented the 51st annual Indian achievement award of the Indian Council Fire for his accomplishments on behalf of his tribe.

Mineral Resource Development

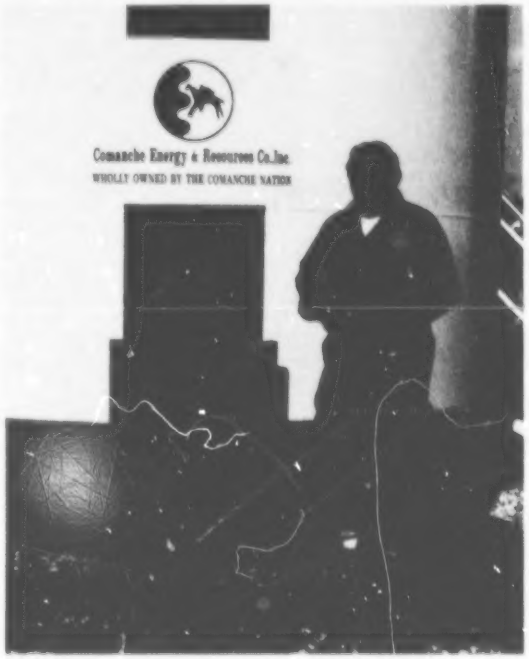
ANNUAL REVENUES RECEIVED by tribes for sub-surface mineral leases have grown tremendously in recent years.

In 1982, income was $396.3 million, an increase of 58.2 percent over the 1981 total of $250 million. Most of this income, $368.2 million, was from oil and gas, with coal running a distant second.

The mineral lease income for tribes in 1970 was $33.7 million, which is less than one-tenth the 1982 amount. The 1975 income was $85.8 million and in 1979 the figures had reached $142.6 million. Even considering inflation, the trend has been sharply up.

Equally large changes in the attitudes of tribal leaders have taken place in recent years.

Earl Old Person, chief of the Blackfeet Indian Tribe in Montana, made this statement in an article published by the Society of Exploration Geophysicists: "In the 50s we sat silent and followed directions from oil companies. We followed orders from the Bureau of Indian Affairs. But in the 60s our leaders began to speak up. Then in the 70s we tried to find out how to profit from our resources other than getting more bonuses. Now, only recently, are



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we becoming knowledgeable and taking part in oil and gas operations."

The Blackfeet Tribe and about half of the 45 oil and gas producing tribes throughout the country have added energy departments to tribal administrative organizations. Many of these tribes have joined an organization called Council of Energy Resources Tribes (CERT).

CERT is a non-profit coalition of tribes that own energy resources. Founded in 1976, the organization initially was considered similar to an American Indian OPEC. In recent years, it has become less a political, lobbying organization and more a professional, technical assistance group.

Those who approach tribal governments with the hazy idea that the Indians are still living in the 19th century are in for a surprise. Across the country, Indian tribes of today have engaged astute lawyers to deal with complicated problems and are aware of the direction they want to go.

The Reagan administration has reacted to this increased sophistication of Indian tribes with support of a new Indian Minerals Development Act, which was passed and enacted late in 1982.

Under a 1938 law, tribes were required to use standardized leasing procedures for the development of their minerals. The Minerals Development Act opened new possibilities by permitting joint ventures and other agreements in which the tribes maintained an active management role.

The first contract approved by the Assistant Secretary under the new legislation was a joint venture agreement for the development of oil and gas on the Fort Peck Indian reservation in Montana. The contract between the Assiniboine and Sioux tribes of the reservation and the U.S. Energy Corporation called for the tribes and the company to share net proceeds from production on 1,360 acres after the company had paid the costs for drilling and bringing in the first producing well.

Smith commented that President Reagan promised to remove federal restrictions from tribal governments—"and the new minerals act does just that."

According to the Council of Energy Resource Tribes, tribal lands of CERT members contain approximately 50 percent of the country's privately-owned uranium; 15 percent of the nation's total coal reserves and 30 percent of all western low-sulfur strippable coal; four percent of all oil and natural gas reserves, and a substantial portion of the nation's oil-shale and geothermal reserves.

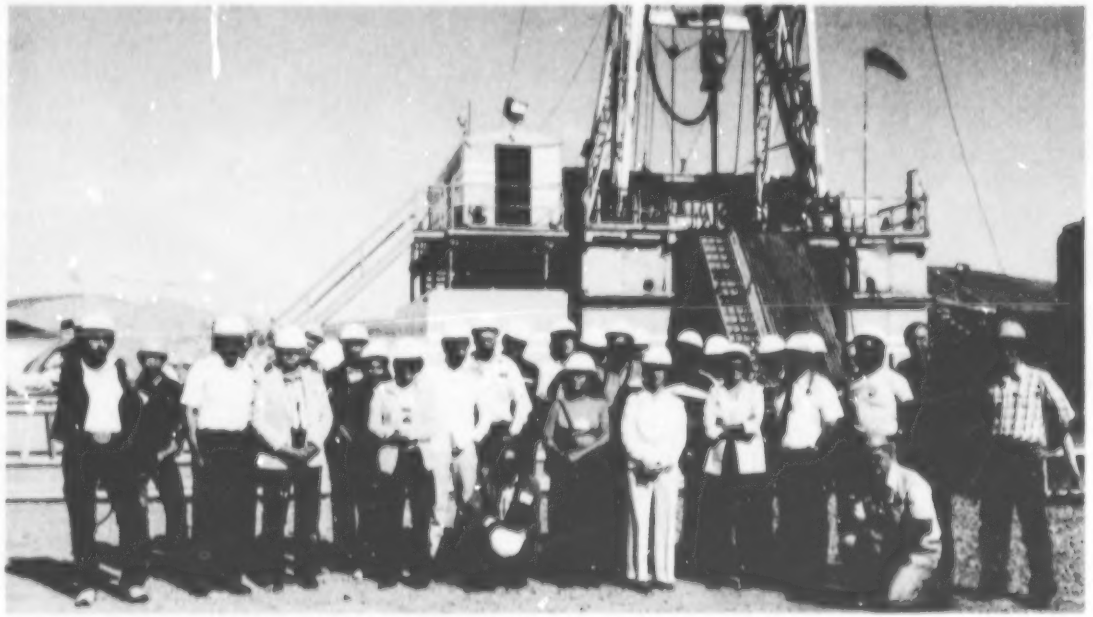
The *Indian Finance Digest*, published by the American Indian National Bank Scholarship Fund, recently noted that Indian tribes have four coal-producing mines ranked among the top 25 in the nation.

The Kayenta Mine, with 7.6 million tons produced in 1982, and the Navajo Mine, with 7.2 million tons, ranked 11th and 12th in production. Both are on the Navajo reservation. The Black Mesa Mine on the Hopi reservation, with 4.8 million tons, was 18th, and the Absaloka Mine on the Crow reservation, with 4.3 million tons, was 23rd.

Despite its $2.7 million net income from coal production in 1982, the Crow Tribe has not been able to use its mineral resources to bring prosperity to the reservation. Clearly, the resources are there. The tribe owns an estimated 17 billion tons of coal, which, as the *Wall Street Journal* pointed out, makes the Crow Tribe, on its own, "the world's ninth-largest coal-owning country."

But the tribe's form of government requires major decisions be voted on by the entire adult membership. The system is so cumbersome that the decision-making process is burdened and decisions are frequently reversed.

In 1983, however, the Secretary of the Interior



Drilling for oil on the Blackfeet Indian reservation, Montana.

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did approve a new coal mining agreement between the Crow and the Shell Oil Company. Under this agreement, the company will begin mining an estimated 210 millon tons of coal from a 2,560-acre tract. The tribe will receive $12 million in pre-production payments and a royalty, subject to adjustment, of 12.5 percent. A minimum royalty of $3 million, beginning in 1986, is guaranteed under the contract.

Under a policy of self-determination and new legislation for Indian minerals development, the role of the Bureau of Indian Affairs is changing.

David Baldwin, an Osage Indian who is director of the Bureau's division of energy and mineral resources, says: "In the past few years we've found ourselves letting tribes do things we previously thought statutorily impossible—and managing mineral resources is one of them. I find the hardest thing we do is allowing them to make mistakes . . . But that's the price of learning. We respect the willingness of tribes to take some bruises on the road to self-management."

Chief Old Person of the Blackfeet Tribe puts it a little differently. He says: "We will make mistakes. But they are less painful than suffering the consequences of other people's mistakes. We're trying to learn, so those who follow us won't be as helpless as we've been in the past."

Indian Forests

MORE THAN A QUARTER of the 52 million acres of Indian trust land is classified as forest land. Some 5.8 million acres are commercial forests, supporting an allowable annual cut of 1.03 billion board feet and generating annual stumpage income of more than $100 million.

Employment and personal income generated in the forest products industry is estimated at about 12,000 person-years and $200 million.

Another 7.5 million acres of commercial forest land is owned by Alaska Native regional and village corporations under terms of the Alaska Native Claims Settlement Act of 1971.

Five tribes now own and operate their own major sawmill enterprises. They are the Menominee in Wisconsin, the Red Lake Chippewa in Minnesota, the Navajo and White Mountain Apache in Arizona, and the Confederated Tribes of the Warm Springs Reservation in Oregon.

Numerous other smaller wood utilization enterprises have been established in recent years. These include post and pole plants, cedar shake mills, chip plants, small sawlog mills, firewood operations and other tribal and individual businesses which use the timber resources.

In 1983 the Bureau of Indian Affairs forestry division had 615 full-time permanent positions, including 340 professional foresters, to work with tribal forestry organizations. The forestry budget for that year was $39.9 million.

Students at Chemawa Indian School, Oregon, plant trees in an experimental forest.

An Entrepreneurial Explosion

Someone once made the observation that the front page of a newspaper tells the bad news of wars, crimes and other disasters, while the sports page has good news of teamwork, heroics and victory. Using this criteria, most Indian news seems destined for the front page; it deals mostly with unemployment, poverty and failure. Successes in the Indian community do not get much publicity.

Many people in the United States would be surprised to learn the number of Indian-owned businesses in the country is increasing at such a rate that it is described by the *Indian Finance Digest* as "an entrepreneurial explosion."

Figures from the branch of economic research of the U.S. Bureau of the Census show there was a 300 percent increase in Indian-owned businesses between 1972 and 1977, and, according to informed forecasts, at least another 200 percent rise from 1977 to the present.

In 1972 there were 1,819 Indian firms with gross receipts of $49.8 million. In 1977 the Census Bureau differentiated between Alaska Natives and the American Indians of the lower 48 states. This report showed 1,416 Alaska Native firms with gross receipts of $51.4 million and 4,263 Indian firms with gross receipts of $326.7 million.

In preparation for a report to be issued in late 1984, Joseph Vasquez of the Minority Business Development Agency forecasts at least 7,500 to 8,000 Indian businesses, with combined net receipts of at least $500 million.

The major cottage industry of the Indian community, arts and crafts, is only partially included in these minority business statistics. While they do include the Indian-owned shops that sell the products, they do not consider individual artists and craftsmen who produce the paintings, jewelry and other handicrafts.

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Robert Hart, general manager of the Interior Department's Indian Arts and Crafts Board, says sales of Indian art total approximately $1 billion annually. The board works with more than 200 Indian-owned art outlets nationwide.

Some Tribal Economic Development

IN 1982 THE LAC COURTE OREILLES Band of Chippewa Indians in Wisconsin brought about a major turnaround of its tribal enterprises. It established a tribal business corporation and hired a professional business manager to direct the tribal enterprises. The results were nearly immediate.

The seven tribal business ventures—a gas station, supermarket, cranberry marsh, construction company, print shop, bingo game and forest products business—grossed $7.1 million in 1983, an increase of $1.5 million over the preceding year.

The Gila River Indian Community in Arizona is another tribe with a number of successful ventures. In addition to pioneering the development of a domestic rubber industry from the desert guayule shrub, the tribe has 63,000 acres of irrigated farm land, which averages about $17 million in annual gross sales, and three industrial parks, which house 29 industries and hire 900 workers. It also has a successful arts and crafts center, heritage park, and restaurant. The tribe has received an initial $50,000 payment from a Phoenix group interested in acquiring a National Football League team and constructing a stadium complex on the reservation.

The Gila River Tribe has been involved in research and development of the guayule shrub since 1975. The U.S. Defense Department has entered into an agreement with the tribe for the cultivation of 5,000 acres of the shrub and construction of a processing facility. In 1983, the tribe signed an agree-

For two days a 48-foot fishing boat owned and operated by fishermen from the Red Cliff reservation in Wisconsin was stranded on top of ice in western Lake Superior. The boat was damaged, but still seaworthy.

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ment with the Firestone Tire and Rubber Company to build a prototype plant on the reservation.

The Comanche Tribe of Oklahoma has begun what *Business Week* magazine described as "a daring . . . foray into oil." In 1982 the tribe formed the Comanche Energy Resource Company (CERCO), an independent oil and gas producing company owned by the tribal members.

CERCO has lined up $20 million in bank credit to buy oil and gas properties, *Business Week* reported, and has other financing available because of tax breaks enjoyed by the company. As a tribal enterprise, it pays no income taxes and oil and gas produced on Indian lands are not subject to the "windfall profits" tax or state severance taxes. The magazine concluded these tax savings "would make a barrel of Indian oil worth about $7 more than one produced by non-Indians."

The Turtle Mountain Manufacturing Corporation in North Dakota in 1983 signed an $8.2 million contract with the Defense Department for the production of cargo trailers to haul tanks, weapons and other equipment.

John Jollie, a member of the Bureau of Indian Affairs economic development staff who worked with the Turtle Mountain Tribe in the procurement of this contract, has been detailed by Assistant Secretary Smith to work with the Defense Department on similar projects.

Jollie has been involved in developing outreach centers to help Indian businesses with the complexities of contracting with Defense, identifying industries for location on Indian reservations, and assisting in the implementation of a memorandum of understanding between Defense and the Small Business Administration.

The Department of Defense is authorized to buy from Indian firms without competitive bidding.

Indian newspapers serving reservation communities are usually subsidized by tribal governments. They struggle with minimal budgets and small staffs. On occasion, however, they can be profitable.

Two Indian newspaper enterprises that are thriving are the *Lakota Times* in South Dakota and the *Navajo Times* on the Navajo reservation in the southwest.

The *Lakota Times* is an independent, privately-owned weekly paper started in 1980 by Tim Giago, an Oglala Sioux of the Pine Ridge reservation. Giago, honored as Indian newspaperman of the year in 1982, has succeeded in putting out a lively, informative publication that has paid its own way. Advertising revenue in 1982 was in excess of $100,000. The newspaper expanded its coverage and circulation in 1984 to all of the reservations in South Dakota.

The *Navajo Times* on March 20, 1984, became the first Indian newspaper to be published on a daily basis. A tribal enterprise, the newspaper has purchased its own press and is printed on the reservation. With a circulation of 16,000 and annual advertising revenues of nearly $200,000, the publication has been in the black the past two years.

The Cherokee Boys Club on the Cherokee reservation in North Carolina began 50 years ago as a vocational training organization for Eastern Cherokees. Today it is a mini-conglomerate of businesses that trains young Cherokee men and women, operates a home for orphaned children, and funds various social and recreational programs on the reservation. The club operates food, laundry and bus services on the reservation, as well as a construction company. North Carolina Governor James Hunt praised the club in 1982 for teaching thousands of Cherokees pride, self-reliance and self-respect.

The Passamaquoddy Tribe of Maine used $2.1 million funds from a land claims settlement to purchase a 5,800-acre blueberry farm. In the three years the tribe has owned the land, it has harvested a $4.3 million return from the berries sold.

Tribal Chairman Richard LaFromboise landed an $8.2 million contract from the Defense Department for the Turtle Mountain Chippewas of North Dakota.

The Tulalip Tribe of Washington began operation of a new $7 million fish hatchery in 1983.

In Nevada, the Reno Sparks Indian Colony, a small tribe with 675 members, opened a new mini-mall in June, 1983. Construction was completely financed by the tribe and the mall's eight shops will include an outlet for tribal arts and crafts.

The *Reno Gazette-Journal*, in a page one story, praised the Colony for the impressive strides it has made in the last quarter century. The newspaper described the Colony as "an area of attractive, tidy homes. Its economy is stable, its variety of social services impressive, and its future promising." The story commended the tribal council for the well-run police force and tribal court system, a comprehensive health program, and an effective human services center.

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Alaska Native communities were thrust into business ventures—ready or not—by the 1971 settlement act which created 13 regional corporations and more than 200 village corporations with total assets of 44 million acres of land and about $1 billion in cash.

As might be expected, many of these corporations, with little experience or business leadership, have struggled. Some, however, have done well.

The Cook Inlet Regional Corporation has about 6,400 Native shareholders. It owns more than 500,000 acres of land in fee; 22,000 acres of surface estate and 421,000 acres of sub-surface estate in the Anchorage area. It is involved in natural resource and real estate development, having investments and operating ventures in oil and gas contract drilling, construction, specialized oil field services, engineering and banking.

Net income for 1982 was $15.6 million, up about $3 million from the previous year and the fifth year in a row that net income has increased. Cumulative earnings per share in 11 years of operation is more than $59, with 1982 dividend to shareholders of $4.06.

One of the village corporations that is doing well is the Huna Totem Corporation, owned entirely by 888 Native shareholders from the village of Hoonah in southeast Alaska. Its principal businesses include timber sales, equipment rental, road construction and hotel and restaurant operations. Huna Totem employs 85 persons, has a net worth of about $50 million and 1983 anticipated profits of $600,000.

The Jicarilla Apache Tribe of New Mexico was the first tribe to produce its own oil and gas. In 1981 the tribe bought out the interests of a commercial oil company on the reservation, formed the Jicarilla Energy Company and began to operate and manage its own developed oil and gas properties on tribal lands.

An artist from the Isleta Pueblo in New Mexico.

The Colorado River Indian Tribes in Arizona operate a 6,200-acre farm enterprise which grosses about $3 million annual income. Crops include cotton, alfalfa, hay and grain.

The Seminole Tribe of Florida has a much-publicized and very successful bingo operation, but the tribe also operates successful cattle, citrus fruit and catfish businesses.

Bingo: An Indian Jackpot

A MAJOR ECONOMIC SURGE on Indian reservations around the country occurred in 1983 with the sudden growth of bingo games.

About a dozen tribes followed the lead of the Seminole Tribe in Florida, offering high-stake games with prizes amounting to thousands of dollars. Another 50 or 60 tribes initiated or expanded smaller games with success.

Court rulings made it clear that tribes on reservations are not subject to state civil and regulatory laws, which limit the scope of bingo operations in most states.

Some Indian bingo games attracted bus loads of players—including those from nearby states—to the reservations. On one reservation $1 million in prizes was awarded in a single day. A few tribes have discussed building entertainment centers with hotels, restaurants and shops.

In most cases, bingo does bring money into the reservation economy. It also creates jobs for tribal members. On many reservations, bingo profits are used to fund tribal social programs and other tribal governmental operations.

A report from one reservation said bingo "has created 100 percent employment, has improved the standard of living and has made funds available for community improvement, health and education. It has created less reliance on federal funds and enabled the concept of self-determination to be more fully realized by the tribe."

While bingo is perceived as a good thing from a tribal point of view, it brought complaints from segments of the non-Indian community. Indian bingo, it was said, deprived churches and non-Indian charity groups from raising much-needed funds with their own bingo games. Also, there is the possibility of organized crime involvement in the high stakes Indian games. There are those who

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said Indians should be subject to state regulations like everyone else.

A Bureau of Indian Affairs task force on bingo was established by Assistant Secretary Smith and, later, was changed to a tribal task force at the request of the tribes. Made up of nine tribal leaders and one Interior official, who serves as an observer, the tribal task force is working to address problems related to the bingo issue. It is also working to protect the authority of tribal governments to stage games, maintain jobs, and plan for use of the income bingo brings.

A bill to regulate gambling on Indian reservations was introduced in the House November 18, 1983, by Congressman Morris K. Udall, John McCain and James McNulty, all of Arizona.

Udall said he did not believe existing federal law was adequate to insure "the orderly conduct of gaming activities on the reservations while protecting the right of tribes to engage in gambling operations to generate tribal revenue."

All three congressmen emphasized that proposals in the original bill likely will be changed following hearings on the legislation. The tribal task force planned to offer testimony at the hearings, along with others.

The bill, as originally introduced, requires net revenue from tribal gambling operations be used solely to fund tribal government operations or programs. It forbade any individual tribal member or non-tribal individual or entity to have any proprietary interest in any tribal gambling operation or to receive a percentage of the revenues.

It does allow tribes to hire professional managers for gambling operations, but only for a fee—not on a percentage basis. The bill also would make records connected with the games open to inspection and audit by the Secretary of the Interior.

At the Seminole bingo hall in Tampa, Florida, a 24-hour bingathon raised $20,000 for Jerry Lewis' children projects.

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Ending Dependency

Since the Reagan administration came into office, federal spending for Indian and Alaska Native programs throughout government has been reduced by about a third. But Kenneth Smith, the official responsible for looking after the interests of the nation's Indian tribes and Native communities says that is not all bad.

"We've had a paternalistic Indian policy in the United States for more than 100 years and it hasn't worked," the Assistant Secretary for Indian Affairs said. "It isn't going to work.

"Some tribes had become completely dependent upon the federal dollar for tribal needs," Smith continued. "Now, a lot more of them are recognizing the need to develop their own economic base."

The Assistant Secretary insists only "soft, make-work programs" have been trimmed and these programs possibly were doing more harm than good by making Indians dependent on the federal dollar. When the money ran out, there were no jobs.

"The achievement of Indian tribes and Alaska Natives in the past few years is the best argument in favor of President Reagan's Indian policy," Smith said. "We have believed in Indian people and the Indian people are justifying that belief."

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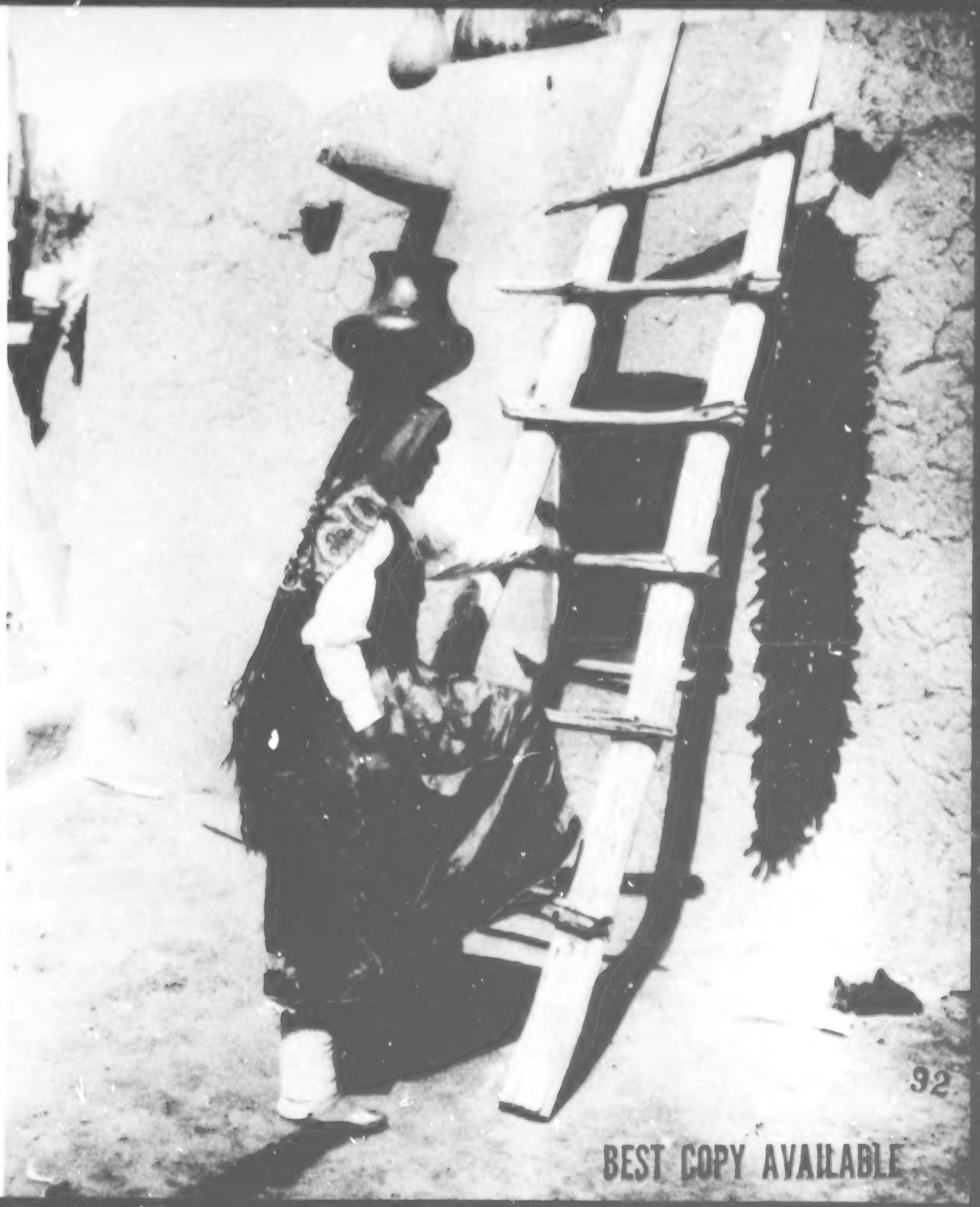

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